

NOTICE OF BOND INSURANCE

\$29,425,000

**MASTER LEASE CERTIFICATES OF PARTICIPATION OF 2002, SERIES D
(STATE OF WISCONSIN)**

The undersigned has provided for the delivery of a municipal bond insurance policy to be issued simultaneously with the delivery of the above captioned Certificates by

MBIA INSURANCE CORPORATION

insuring the payment when due of the principal of and interest on the Master Lease Certificates of Participation of 2002, Series D (State of Wisconsin).

This Notice includes certain information concerning MBIA Insurance Corporation (**MBIA**) and the terms of the Financial Guaranty Insurance Policy (**Policy**) relating to the Certificates. Information with respect to MBIA and the Policy has been supplied by MBIA. No representation is made by the undersigned as to the accuracy or adequacy of such information. The Policy does not constitute a part of the contract between the State of Wisconsin (**State**) and the holders of Certificates. The undersigned has the responsibility for paying the premium on and complying with the conditions for the issuance of the Policy, and the State has no responsibility with respect to such insurance in any way, including the maintenance and enforcement of the Policy or collection of a claim submitted under the Policy.

This Notice has been prepared by the undersigned to provide certain information pertaining to MBIA. It has not been prepared or reviewed by the State, and the State makes no representation to the adequacy of the information contained in this Notice. Each purchaser should consult the Official Statement, dated December 11, 2002, for information about the Certificates, and the undersigned assumes no responsibility with respect to the Official Statement.

The undersigned has applied for, and upon issuance of the Policy there will be assigned to the Certificates, the AAA rating from Fitch Ratings, the Aaa rating from Moody's Investors Service, Inc., and the AAA rating from Standard & Poor's Ratings Services.

UBS PAINWEBBER INC.

December 11, 2002



FINANCIAL GUARANTY INSURANCE POLICY

**MBIA INSURANCE CORPORATION
ARMONK, NEW YORK 10504**

Policy No. [NUMBER]

MBIA Insurance Corporation (the "Insurer"), in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to [PAYING AGENT/TRUSTEE] or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

**[PAR]
[LEGAL NAME OF ISSUE]**

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in the account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. shall disburse to such owners, or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

IN WITNESS WHEREOF, the Insurer has caused this policy to be executed in facsimile on its behalf by its duly authorized officer, this [DAY] day of [MONTH, YEAR].

SPECIMEN

SUPPLEMENT TO OFFICIAL STATEMENT

\$29,425,000

MASTER LEASE CERTIFICATES OF PARTICIPATION OF 2002, SERIES D

**Evidencing Proportionate Interests of the Owners Thereof in
Certain Lease Payments to be Made by the**

STATE OF WISCONSIN

Acting by and through the Department of Administration

This is a supplement to the Official Statement dated December 11, 2002. It provides a correction to certain information contained within the Official Statement. Accordingly, the Official Statement should not be used without this supplement.

Underlying Ratings (Page 3)

The underlying rating from Fitch Ratings shown on page 3 is incorrect. The correct underlying rating from Fitch Ratings is AA-.

Dated: December 18, 2002

OFFICIAL STATEMENT

New Issue

This Official Statement has been prepared by the State of Wisconsin Department of Administration to provide information about the Certificates. Selected information is presented on this cover page for the convenience of the reader. To make an informed investment decision, a prospective investor should read the entire Official Statement. Unless indicated, capitalized terms have the meanings given in the Official Statement.

\$29,425,000

MASTER LEASE CERTIFICATES OF PARTICIPATION OF 2002, SERIES D

Evidencing Proportionate Interests of the Owners Thereof in
Certain Lease Payments to be Made by the

STATE OF WISCONSIN

Acting by and through the Department of Administration

Dated: Delivery Date

Maturities: March 1 and September 1, as shown below

Underlying Ratings—See page 3 AA- Fitch Ratings

A1 Moody's Investors Service, Inc.

A+ Standard & Poor's Ratings Services

Tax Exemption Interest on the Certificates is excluded from gross income and is not an item of tax preference for federal income tax purposes. Interest on the Certificates is subject to State of Wisconsin income and franchise taxes—*See pages 10-12.*

Redemption *Optional*—The Certificates are not subject to optional redemption.

Mandatory—The Certificates are subject to mandatory redemption at par upon termination of any Lease Schedule resulting from Nonappropriation or upon an Event of Default—*See page 3.*

Security Certificates are secured by lease payments under the Master Lease Program. All series of master lease certificates of participation issued under the Program are ratably secured by a common pool of collateral. An Event of Default or Nonappropriation under any Lease Schedule constitutes an Event of Default for all series of master lease certificates of participation—*See pages 6-8.*

Purpose Provide fixed-rate funding for Lease Schedules previously financed through a variable-rate, revolving line of credit and for an additional Lease Schedule that will be originated on the delivery date of the Certificates—*See pages 3-4.*

Interest Payment Dates March 1 and September 1

First Interest Payment Date March 1, 2003

Denominations \$5,000

Closing/Delivery/Settlement On or about December 19, 2002

Bond Counsel Foley & Lardner

Trustee/Registrar/Paying Agent U.S. Bank National Association

Issuer Contact Wisconsin Capital Finance Office; (608) 266-2305; capfin@doa.state.wi.us

Book-Entry-Only Form The Depository Trust Company—*See pages 4-5.*

Annual Report This Official Statement incorporates by reference **Parts I, II, and IV** of the State of Wisconsin Continuing Disclosure Annual Report, dated December 19, 2001.

The Certificates were sold at competitive sale on December 11, 2002. The interest rates payable on the Certificates, which are shown below, resulted from bids received at this competitive sale.

CUSIP	Date	Principal Amount	Interest Rate	First Optional Redemption
977087 DF9	March 1, 2003	\$ 2,305,000	1.50%	Not Callable
977087 DG7	September 1, 2003	1,975,000	2.00	Not Callable
977087 DH5	March 1, 2004	1,990,000	2.00	Not Callable
977087 DJ1	September 1, 2004	2,010,000	2.00	Not Callable
977087 DK8	March 1, 2005	1,545,000	3.50	Not Callable
977087 DL6	September 1, 2005	1,550,000	5.00	Not Callable
977087 DM4	March 1, 2006	1,395,000	5.00	Not Callable
977087 DN2	September 1, 2006	1,430,000	5.00	Not Callable
977087 DP7	March 1, 2007	1,465,000	4.00	Not Callable
977087 DQ5	September 1, 2007	13,760,000	5.00	Not Callable

Purchase Price: \$31,109,801.55

December 11, 2002

Note: The State has been advised by the Underwriters that they have applied for and received a Commitment to Issue a Financial Guaranty Insurance Policy from MBIA Insurance Corporation (MBIA) for the Certificates. Further information on this Commitment and the Financial Guaranty Insurance Policy may be obtained from the Underwriters and MBIA.

This document is the “official” statement—that is, it contains the only authorized information about the offering of the Certificates. This document is not an offer or solicitation for the Certificates, and no unlawful offer, solicitation, or sale may occur through the use of this document or otherwise. This document is not a contract, and it provides no investment advice. Prospective investors should consult their advisors and legal counsel with questions about this document, the Certificates, and anything else related to the offering.

The purpose of this document is to provide prospective investors with information that may be important in making an investment decision. It may not be used for any other purpose without the State’s permission. The State is the author of this document and is responsible for its accuracy and completeness. The Underwriters are not the authors of this document. In accordance with their responsibilities under federal securities laws, the Underwriters are required to review the information in this document and must have a reasonable basis for their belief in the accuracy and completeness of its key representations.

The estimates, forecasts, projections, and opinions in this document are not hard facts, and no one guarantees them. Some of the people who prepared, compiled, or reviewed this information had specific functions that covered some aspects of the offering but not others. For example, financial staff focused on quantitative financial information, and legal counsel focused on specific documents or legal issues assigned to them.

No dealer, broker, sales representative, or other person has been authorized to give any information or to make any representations about the Certificates other than what is in this document. The information and expressions of opinion in this document may change without notice. The delivery of this document or any sale of the Certificates does not imply that there has been no change in the matters contained in this document since the date of this document. Material referred to in this document is not part of this document unless expressly included.

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**PARTICIPANTS IN THE
ISSUANCE AND SALE OF
MASTER LEASE CERTIFICATES OF PARTICIPATION**

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State of Wisconsin

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Secretary
Department of Administration

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Bond Counsel
Foley & Lardner

Financial Advisor
Public Financial Management, Inc.
Boston, Massachusetts

Trustee
U.S. Bank National Association

SUMMARY DESCRIPTION OF CERTIFICATES

Selected information is presented on this page for the convenience of the reader. To make an informed investment decision, a prospective investor should read the entire Official Statement.

Principal Amount:	\$29,425,000
Denominations:	\$5,000 and integral multiples
Date of Issue:	Date of delivery
Record Date:	February 15 and August 15
Interest Payments:	March 1 and September 1, commencing March 1, 2003.
Maturities:	March 1 and September 1, commencing March 1, 2003 and ending September 1, 2007.
Redemption:	<i>Optional</i> —The Certificates are not subject to optional redemption. <i>Mandatory</i> —The Certificates are subject to mandatory redemption at par upon termination of any Lease Schedule resulting from Nonappropriation or upon an Event of Default— <i>See page 3.</i>
Form:	Book-entry-only— <i>See pages 4-5.</i>
Paying Agent:	All payments of principal and interest on the Certificates will be paid by U.S. Bank National Association, as Trustee. All payments will be made to The Depository Trust Company, which will distribute payments to Beneficial Owners as described herein.
Security:	The Certificates and all other outstanding master lease certificates of participation are secured by lease payments under the Master Lease Program. All series of master lease certificates of participation issued under the Master Lease Program are ratably secured by a common pool of collateral. An Event of Default or Nonappropriation under any Lease Schedule constitutes an Event of Default for all series of master lease certificates of participation. As of December 1, 2002, the principal amount of all outstanding master lease certificates of participation was \$122.1 million— <i>See pages 6-8.</i>
Bond Insurance	The State has been advised by the Underwriters that they have applied for and received a Commitment to Issue a Financial Guaranty Insurance Policy from MBIA Insurance Corporation (MBIA) for the Certificates. Further information on this Commitment and the Financial Guaranty Insurance Policy may be obtained from the Underwriters and MBIA.
Authority for Issuance:	The State entered into the Master Lease under Section 16.76 of the Wisconsin Statutes.
Purpose:	To provide fixed-rate funding for Lease Schedules previously financed through a variable-rate line of credit and to fund an additional Lease Schedule to be originated on the delivery date of the Certificates— <i>See pages 3-4.</i>
Additional Certificates:	Additional master lease certificates of participation may be issued.
Tax Exemption:	Interest on the Certificates is not included in gross income and is not an item of tax preference for federal income tax purposes. Interest on the Certificates is subject to State of Wisconsin income and franchise taxes— <i>See pages 10-12.</i>
Legal Opinion:	Validity and tax opinion for the Certificates to be provided by Foley & Lardner— <i>See page C-1.</i>

OFFICIAL STATEMENT

\$29,425,000

MASTER LEASE CERTIFICATES OF PARTICIPATION OF 2002, SERIES D

Evidencing Proportionate Interests of the Owners Thereof in
Certain Lease Payments to be Made by the

STATE OF WISCONSIN

Acting by and through the Department of Administration

INTRODUCTION

This Official Statement sets forth information concerning the \$29,425,000 Master Lease Certificates of Participation of 2002, Series D (**Certificates**) that represent a proportionate interest in certain Lease Payments to be made by the State of Wisconsin (**State**) pursuant to the Third Amended and Restated Master Lease, dated April 28, 2000 (**Master Lease**) between Firststar Bank, National Association, as lessor, and the State, acting by and through the Department of Administration (**Department**), as **Lessee**.

The Certificates are issued and secured by the **Master Indenture**, dated July 1, 1996, among the State, acting by and through the Department, Firststar Bank, Milwaukee, N.A., and Firststar Trust Company, and a **Supplemental Indenture**, dated December 11, 2002, among the State, acting by and through the Department, U.S. Bank National Association, as successor to Firststar Bank, National Association (**Lessor**), and U.S. Bank National Association, as successor to Firststar Trust Company (**Trustee**). The Master Indenture established a trust that consists of Lease Schedules, Lease Payments, Leased Items, and other property and rights related to those Lease Schedules, including the security interest granted by the Master Lease (**Trust**). *The Trust serves as a common pool of collateral, ratably securing all series of master lease certificates of participation issued under the Master Lease Program (**Program**).*

The State is required under the Master Lease to make Lease Payments from any source of legally available funds, subject to annual appropriation, and the scheduled Lease Payments are sufficient to pay, when due, the semiannual principal and interest on the then outstanding master lease certificates of participation. *The obligation of the State to make Lease Payments does not constitute an obligation of the State for which the State is obligated to levy or pledge any form of taxation. The obligation of the State to make Lease Payments does not constitute debt of the State.*

This Official Statement includes by reference Parts I, II, and IV of the State of Wisconsin Continuing Disclosure Annual Report, dated December 19, 2001 (**2001 Annual Report**).

In connection with the issuance and sale of the Certificates, the Department has prepared this Official Statement, which contains information furnished by the State or obtained from the sources indicated. Capitalized terms not defined in this Official Statement have the meanings provided in the Master Lease and Master Indenture.

THE STATE

The State is located in the Midwest among the northernmost tier of states. The State ranks 18th among the states in population and 26th in land area. Wisconsin attained statehood in 1848, its capital is Madison, and its largest city is Milwaukee.

Information concerning the State, and its financial condition, is included as **APPENDIX A**, which includes by reference Part II of the 2001 Annual Report. **APPENDIX A** also includes final budgetary information for the 2001-02 fiscal year and revenue estimates recently released by the State of Wisconsin Department of Revenue for the 2002-03 fiscal year.

Requests for additional information about the State may be directed to:

Contact: Capital Finance Office
Attn: Capital Finance Director
Phone: (608) 266-2305
Mail: 101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
E-mail: capfin@doa.state.wi.us

THE MASTER LEASE PROGRAM

The Department created the Program in 1992, and the Program permits the State to acquire tangible property and, in certain situations, intangible property or prepaid service items (**Leased Items**), for all State agencies through installment purchase contracts. As of December 1, 2002, the principal amount of all outstanding master lease certificates of participation was \$122.1 million. Information concerning the Program, Master Lease, Events of Default under the Master Lease, Master Indenture, Lease Schedules, and master lease certificates of participation is included as **APPENDIX B**, which includes by reference Part IV of the 2001 Annual Report.

Requests for additional information about the Program may be directed to:

Contact: Capital Finance Office
Attn: Capital Finance Director
Phone: (608) 266-2305
Mail: 101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
E-mail: capfin@doa.state.wi.us

THE CERTIFICATES

General

The **front cover** of this Official Statement sets forth the maturity dates, amounts, and interest rates for the Certificates. Certificates will mature on March 1, 2003 and semiannually thereafter on March 1 and September 1 of each year.

The Certificates will be dated their date of delivery and will bear interest from that date payable on March 1, 2003 and semiannually thereafter on March 1 and September 1 of each year. Interest on the Certificates will be computed on the basis of a 30-day month and a 360-day year. Principal of and interest on each Certificate will be payable to the registered owner of the Certificates, which initially will be a nominee of The Depository Trust Company, New York, New York (**DTC**).

The Certificates are issuable as fully registered certificates without coupons in denominations of \$5,000 principal amount or any integral multiple thereof.

Redemption Provisions

Optional Redemption

The Certificates are not subject to optional redemption.

Mandatory Redemption

The Certificates are subject to mandatory redemption, at a redemption price of 100% of the principal of the Certificates to be redeemed, plus accrued interest to the redemption date, upon termination of a Lease Schedule resulting from Nonappropriation or upon an Event of Default.

Selection of Certificates

If the Certificates are in book-entry-only form and less than all of a particular maturity are to be redeemed, selection of the ownership interests of Beneficial Owners of the Certificates affected thereby shall be made solely by DTC and its Direct Participants and Indirect Participants in accordance with their then prevailing rules. If the Certificates are in certificated form and less than all of a particular maturity are to be redeemed, selection shall be by lot.

Notice of Redemption

So long as the Certificates are in book-entry-only form, the Trustee will send a notice of the redemption of any Certificates to the securities depository not less than 30 days and not more than 45 days before the redemption date. The Trustee may revoke a notice of redemption by sending notice to the securities depository not less than 15 days before the proposed redemption date.

In the event that the Certificates are outstanding in certificated form, a notice of the redemption of any of said Certificates shall be mailed, postage prepaid, not less than 30 and not more than 45 days before the date of redemption to the registered owners of any Certificates to be redeemed, but such mailing shall not be a condition precedent to such redemption and failure to mail any such notice shall not affect the validity of any proceedings for the redemption of the Certificates. Interest on any Certificates so called for prior redemption shall cease to accrue on the redemption date provided payment thereof has been duly made or provided for. A notice of redemption may be revoked by mailing, postage prepaid, not less than 15 days prior to the proposed date of redemption to the registered owners of any Certificates to have been redeemed, but such mailing shall not be a condition precedent to such revocation and failure to mail any such notice shall not affect the validity of such revocation.

Underlying Ratings

At the State's request, several rating agencies have rated the Program and Certificates:

<i>Underlying Rating</i>	<i>Rating Agency</i>
AA+	Fitch Ratings
A1	Moody's Investors Service, Inc. ⁽¹⁾
A+	Standard and Poor's Ratings Services

- ⁽¹⁾ On March 4, 2002, Moody's Investors Service, Inc. revised the rating outlook on the State's outstanding certificates of participation from "stable" to "negative".

Any explanation of the significance of a rating may only be obtained from the rating service furnishing that rating. There is no assurance a rating given to the Certificates will be maintained for any period of time; a rating may be lowered or withdrawn entirely by the rating service if in its judgment circumstances so warrant. Any downgrade or withdrawal of a rating may have an adverse effect on the market price of the Certificates.

Sources and Uses of Funds

The Certificates are being issued to provide fixed-rate funding for Lease Schedules previously financed through a variable-rate line of credit and to fund an additional Lease Schedule to be originated on the delivery date of the Certificates.

The proceeds to be received from the sale of the Certificates (other than accrued interest, if any, which will be deposited in the Certificate Payment Fund) are expected to be applied, as follows:

Sources:	
Principal Amount of Certificates.....	\$29,425,000.00
Net Original Issue Premium	<u>1,871,356.05</u>
Total Sources.....	<u>\$31,296,356.05</u>
Uses:	
Funding of Lease Schedules.....	\$30,997,894.94
Cost of Issuance.....	111,906.61
Underwriter's Discount	<u>186,554.50</u>
Total Uses	<u>\$31,296,356.05</u>

Book-Entry-Only Form

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully registered securities, registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Certificate will be issued for each maturity set forth on the front cover, each in the principal amount of such maturity, and deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants (**Direct Participants**) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**) (the Indirect Participants and Direct Participants are collectively referred to as **Participants**). The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of the Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate (**Beneficial Owner**) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of the Certificates with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has

no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Certificates are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Certificates. Under its usual procedures, DTC mails an Omnibus Proxy to the State as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Certificates will be made to DTC by the Trustee. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of the State, the Trustee, or DTC, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Certificates at any time by giving reasonable notice to the State. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered.

The State may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered at the expense of the State.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC; the State and the Trustee take no responsibility for its accuracy.

No assurance can be given by the State or the Trustee that DTC, Direct Participants and Indirect Participants will promptly transfer payments or notices received with respect to the Certificates. The State and the Trustee assume no liability for the failure of DTC, Direct Participants or Indirect Participants to transfer to the Beneficial Owner payments or notices received with respect to the Certificates.

Similarly, no assurance can be given by the State or the Trustee that DTC will abide by its procedures or that such procedures will not be changed from time to time. In the event that a successor securities depository is designated, it may establish different procedures.

Registration and Payment of Certificates

So long as the Certificates are in book-entry-only form, payment of principal due on the Certificates shall be made by wire transfer to the securities depository or its nominee upon their presentation and surrender at the principal office of the Trustee, which shall be the Registrar and Paying Agent on the Certificates. Payment of interest due on the Certificates shall be made by wire transfer to the securities depository or its nominee shown in the registration books at the close of business on the 15th day (whether or not a business day) of the month next preceding such interest payment date (**Record Date**) on the payment date.

When the Certificates are in certificated form, payment of principal due on the Certificates shall be made by check or draft issued upon their presentation and surrender at the principal office of the Paying Agent. Payment of interest due on the Certificates shall be made by check or draft mailed to the registered owner shown in the registration books on the Record Date.

SECURITY FOR CERTIFICATES

General

The Certificates represent a proportionate interest in certain Lease Payments to be made by the State under the Master Lease. The State is required under the Master Lease to make Lease Payments from any source of legally available funds, subject to annual appropriation, and the scheduled Lease Payments are sufficient to pay when due the semiannual principal and interest payments on all then outstanding master lease certificates of participation. ***The obligation of the State to make Lease Payments does not constitute an obligation for which the State is obligated to levy or pledge any form of taxation or for which the State has levied or pledged any form of taxation. The obligation of the State to make Lease Payments does not constitute debt of the State or any of its political subdivisions.*** See **“RISK FACTORS; Nonappropriation”**.

Common Pool of Collateral

Under the Master Indenture, the Lessor has assigned to the Trustee, for the benefit of all master lease certificate of participation holders, all its rights in the funds and accounts created by the Master Indenture, the Lease Schedules specified in Supplemental Indentures, and all Lease Payments, Leased Items, and other property and rights related to those Lease Schedules, including the security interest granted in the Master Lease.

All Leased Items serve as a common pool of collateral, ratably securing all master lease certificates of participation issued under the Program. All master lease certificates of participation are secured by all Leased Items, regardless of their funding source or the time at which they are financed by the Program. An Event of Default or Nonappropriation under any Lease Schedule constitutes an Event of Default under all outstanding master lease certificates of participation, so any remedial action affects all master lease certificates of participation equally. Once a Lease Schedule is fully paid, the applicable Leased Item no longer serves as collateral.

In the opinion of Bond Counsel, the transfer of Lease Schedules by the Lessor to the Trustee constitutes a true sale and not a secured transaction. The State’s obligation to make Lease Payments does not depend upon any service provided by the Lessor, and thus the transfer of Lease Schedules would be unaffected by any insolvency of the Lessor.

Reserve Fund

The Master Indenture allows for the funding of a reserve fund for any specific series of master lease certificates of participation. No reserve fund has been established for the Certificates. As of December 1, 2002, no reserve funds apply to any outstanding master lease certificates of participation. In the event that the Department establishes a reserve fund under the Master

Indenture, the amounts in the reserve fund will only be available to the series of master lease certificates of participation for which the reserve fund is authorized.

Governmental Use

The State will certify that each Leased Item will be used to perform a governmental function. Though the State does not certify them as such, some of those functions may be considered “essential” government functions. Examples of Leased Items currently existing in the Trust include expansion of the State’s central mainframe computer, various information technology items that provide various automated services and information technology upgrades for the State, and energy conservation projects for State-owned buildings. See **APPENDIX B** for a detailed listing of all outstanding Lease Schedules.

Centralized Control and Review

The Program structure allows one division (the Division of Executive Budget and Finance) within the Department to centrally administer many Program activities. Program functions related to administration, review, and day-to-day operations occur in the Capital Finance Office. Program functions related to review and biennial budget preparation occur in the State Budget Office. Program functions related to collection of Lease Payments occur in the State Controller’s Office.

Two-Phase Financing Structure

The State currently uses a two-phase financing structure for the Program. In the first (or acquisition) phase, Leased Items are initially financed with proceeds from a revolving credit facility. The revolving credit facility is a line of credit, and the State, acting on behalf of the Trustee, requests draws from the revolving credit facility only for amounts equal to invoices presented to the Program for payment. Master lease certificates of participation have been issued to the current provider of this revolving credit facility, Banc of America Leasing & Capital LLC, evidencing the State’s repayment of balances under the facility. The State pays interest on funds provided by the facility based on a variable, taxable or tax-exempt interest rate. Use of this line-of-credit approach eliminates any nonorigination risk for the second phase since an obligation is created only after the Leased Item has been installed and accepted and an invoice has been presented for payment.

In the second phase, the State, acting on behalf of the Trustee, sells additional master lease certificates of participation to fund all or a portion of the Lease Schedules originated under the revolving credit facility with proceeds of a fixed-rate, and most often tax-exempt, financing. All sources of financing for the Program are issued under the Master Indenture. See “**SECURITY FOR CERTIFICATES; Common Pool of Collateral**”.

Appropriation Process

The central control of the Program provides the State Budget Office with knowledge of all past, current, and pending scheduled Lease Payments due under the Master Lease. Lease Payments due under the Master Lease are not included in the State budget as a separate budget line item; rather, Lease Payments are included with other expenditures in one or more of an agency’s existing budget lines. The Secretary of the State of Wisconsin Department of Administration (**Secretary of Administration**), under the direction of the Governor and with assistance from the State Budget Office, compiles all budget information and prepares an executive budget consisting of the planned operating expenditures and revenues of all State agencies.

State law establishes procedures for establishing and enacting a State budget. State law also provides that in the event a budget is not in effect at the start of a fiscal year, the prior year’s budget serves as the budget until a new budget is enacted.

The Secretary of Administration has statutory power to order reductions in the appropriations of state agencies (which represent less than one-third of the General Fund budget). See “BUDGETING PROCESS AND FISCAL CONTROLS” in Part II of the 2001 Annual Report for additional information on the State’s budget process.

Priority of Claims

The Master Lease includes representations that, if an emergency arises that requires the Department of Administration to draw vouchers for payment that will be in excess of available moneys and the Secretary of Administration establishes a priority schedule for payments under Section 16.53 (10) of the Wisconsin Statutes, the Secretary of Administration shall give high priority to payment of Lease Payments, but not higher than the priority given to payments on outstanding general obligation bonds, outstanding State notes, and State employee payrolls. Before the Secretary of Administration may establish a priority schedule for payments, the Secretary of Administration is required to consult with the State Treasurer and notify the Legislature’s joint committee on finance. The Secretary of Administration may not proceed with the priority schedule until the Legislature’s joint committee on finance has either (1) held a meeting to review the proposal, scheduled within two working days after notification of the priority schedule or (2) not scheduled a meeting to review the proposal within two working days after notification of the priority schedule.

RISK FACTORS

Nonappropriation

The State’s obligation to make Lease Payments is subject to appropriation of the necessary funds by Legislature. No assurance is given that sufficient funds will be appropriated or otherwise will be available to make the Lease Payments. A failure by the State to make a Lease Payment with respect to any Leased Item would cause the Master Lease to terminate with respect to all Leased Items. The State’s obligation to make Lease Payments is not a general obligation of the State, and moreover, the obligation does not involve the State of Wisconsin Building Commission. Rather, the Master Lease is a contract entered into by the Department of Administration under separate statutory authority.

The Master Lease does not include a nonsubstitution clause. If the Legislature fails to appropriate necessary funds for the continued performance of the State’s obligations under the Master Lease (**Nonappropriation**), the State is allowed to acquire and use similar equipment or enter into a contract for similar service for the same function as the equipment or service contract for which the Legislature failed to make an appropriation.

While it is possible that failure to make the Lease Payments would thereafter hinder the State’s access to the capital markets, it should not be assumed that the Legislature would regard that possible consequence as a compelling reason to make the appropriations needed for Lease Payments. See “SUMMARY OF THE MASTER LEASE” and “SUMMARY OF THE MASTER INDENTURE” in Part IV of the 2001 Annual Report for additional information about remedies available under the Master Lease and Master Indenture upon an event of Nonappropriation.

Essential Use of Leased Items

Although the State has made certain representations that each Leased Item serves a governmental function, and some of those functions may be considered “essential” government functions, it should nevertheless be assumed that the State could function without any of the Leased Items.

Security Interest in Leased Items

Although the State has provided a security interest in the Leased Items to the Trustee (for the benefit of the owners of the master lease certificates of participation), the Certificates are not offered on the basis of the collateral value of the Leased Items or value of any other pledged asset (other than the Lease Payments). The term of the Lease Schedule is not permitted to exceed the useful life of the Leased Item; however, it should not be assumed that the value of the Leased Item at any time will exceed the portion of the remaining Lease Payments that will be applied to principal or that the existence of such an excess would motivate the State to continue making Lease Payments.

Typically it is difficult to realize the full value of collateral through sale of the collateral, and some of the Leased Items, such as service contracts, intangible property, or tangible property that is incorporated into real estate, may be impossible or difficult to sell. Records that evidence the security interests are kept by the Department of Administration, separate and apart from the central record system of security interest kept by the Department of Financial Institutions under the Uniform Commercial Code.

Tax Exemption

Should the Master Lease be terminated, there is no assurance that subsequent payments made by the Trustee with respect to the Certificates and designated as interest will be excluded from gross income for federal income tax purposes.

Applicability of Securities Law

Should the Master Lease be terminated, the transfer of a master lease certificate of participation may be subject to compliance with the registration provisions of applicable federal and state securities laws, which could impair the liquidity of a master lease certificate of participation.

OTHER INFORMATION

Borrowing Plans for 2002

This is the second series of master lease certificates of participation to be publicly sold this calendar year. The State has previously issued \$45 million principal amount of its master lease certificates of participation in January 2002. In addition, the State has privately placed two series of master lease certificates of participation to evidence repayments of advances made under a revolving credit facility with Banc of America Leasing & Capital LLC. See **“SECURITY FOR CERTIFICATES; Two-Phase Financing System”**. The Certificates will fund a portion of the advances made under the revolving credit facility.

Underwriting

The Certificates were purchased at competitive bidding on December 11, 2002 by the following syndicate (**Underwriters**): UBS PaineWebber Inc., book running manager; Salomon Smith Barney Inc.; First Albany Corporation; Axelrod Associates, Inc.; Kirlin Securities, Inc.; Harris Trust and Savings Bank; and McDonald Investments, Inc.

The purchase price paid by the underwriters was \$31,109,801.55. The true interest cost rate to the State, after the State adjusted the amortization and par amount of the Certificates as provided for in the Official Notice of Sale, is 2.759613%. The sale of the Certificates was awarded based on a true interest cost rate of 2.765467%, determined before the State adjusted the amortization and par amount of the Certificates.

Reference Information About the Certificates

The following table and the **table on the front cover** of this Official Statement include information about the Certificates and are provided for reference. The CUSIP number for each maturity has been obtained from sources believed to be reliable, but the State is not responsible

for the correctness of the CUSIP numbers. The reoffering yields and prices have been provided by the Underwriters, which allow the State to compute of yield for federal tax law compliance.

\$29,425,000

Master Lease Certificates of Participation of 2002, Series D

Dated and Delivery Date: December 19, 2002
First Interest Date: March 1, 2003

CUSIP	Date	Principal Amount	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Redemption Date
977087 DF9	March 1, 2003	\$ 2,305,000	1.50%	1.268%	100.045%	Not Callable
977087 DG7	September 1, 2003	1,975,000	2.00	1.272	100.504	Not Callable
977087 DH5	March 1, 2004	1,990,000	2.00	1.520	100.567	Not Callable
977087 DJ1	September 1, 2004	2,010,000	2.00	1.670	100.549	Not Callable
977087 DK8	March 1, 2005	1,545,000	3.50	2.000	103.210	Not Callable
977087 DL6	September 1, 2005	1,550,000	5.00	2.110	107.543	Not Callable
977087 DM4	March 1, 2006	1,395,000	5.00	2.340	108.151	Not Callable
977087 DN2	September 1, 2006	1,430,000	5.00	2.470	108.889	Not Callable
977087 DP7	March 1, 2007	1,465,000	4.00	2.700	105.125	Not Callable
977087 DQ5	September 1, 2007	13,760,000	5.00	2.750	109.852	Not Callable

Note: The State has been advised by the Underwriters that they have applied for and received a Commitment to Issue a Financial Guaranty Insurance Policy from MBIA Insurance Corporation (MBIA) for the Certificates. Further information on this Commitment and the Financial Guaranty Insurance Policy may be obtained from the Underwriters and MBIA.

Financial Advisor

Public Financial Management, Inc., Boston, Massachusetts, serves as a financial advisor to the State with respect to the issuance and sale of the Certificates. The financial advisor assisted the State in the preparation of this Official Statement and provided other advice on the Program and the structuring of the Certificates. Public Financial Management, Inc. is an independent financial advisory and consulting organization and is not engaged in the underwriting, marketing, or trading of municipal securities or other negotiable instruments.

Legal Opinion

Legal matters incident to the authorization, issuance and sale of the Certificates are subject to the approval of Foley & Lardner, Bond Counsel, whose approving opinion, substantially in the form shown in **APPENDIX C**, will be delivered on the date of issue of the Certificates. In the event certificated Certificates are issued, the opinion will be printed on the reverse side of each Certificate.

Tax Exemption

Federal Income Tax

In the opinion of Bond Counsel, under existing law the interest on the Certificates is excluded from gross income for federal income tax purposes and the interest on the Certificates is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers; it should be noted, however, that with respect to certain corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. Bond Counsel expresses no opinion regarding the federal income tax consequences resulting from ownership of the Certificates or the receipts by the owners thereof of payments on the Certificates following the termination of the Master Lease resulting from Nonappropriation or an Event of Default thereunder.

The opinions set forth in the preceding paragraph are subject to the condition that the State comply with all requirements of the Internal Revenue Code of 1986, as amended (**Code**), and other federal tax legislation that must be satisfied subsequent to the issuance of the Certificates in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The State has covenanted to comply with each such requirement to the extent it may lawfully do so. Failure to comply with certain of such requirements may cause interest on the Certificates to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Certificates. Bond Counsel expresses no opinion regarding other federal tax consequences arising with respect to the Certificates.

All of the Certificates have an issue price that is greater than the amount payable at maturity of such Certificates (**Premium Certificates**). Any Premium Certificate purchased in the initial offering at the issue price will have “amortizable bond premium” within the meaning of Section 171 of the Code. An owner of a Premium Certificate that has amortizable bond premium is not allowed any deduction for the amortizable certificate premium. During each taxable year, such an owner must reduce his or her tax basis in such Premium Certificate by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Certificate. The adjusted tax basis in a Premium Certificate will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or repayment and maturity) of such Premium Certificate.

Owners of Premium Certificates who did not purchase such Premium Certificates in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Certificates.

Owners of Premium Certificates should consult their own tax advisors with respect to the state and local tax consequences of the Premium Certificates.

The Code contains numerous provisions which could affect the economic value of the Certificates to particular owners of Certificates. The following are some examples:

- Section 265 of the Code denies a deduction for interest on any indebtedness incurred or continued to purchase or carry the Certificates or, in the case of financial institutions, that portion of an owner’s interest expense allocable to interest on the Certificates.
- Property and casualty insurance companies will be required in each taxable year to reduce the amount of their deductible losses by 15% of the amount of tax-exempt interest received or accrued during such taxable year, including interest on the Certificates, and life insurance companies are subject to similar provisions under which taxable income is increased by reason of receipt or accrual of tax-exempt interest.
- Interest on the Certificates earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by Section 884 of the Code.
- Passive investment income, including interest on the Certificates, may be subject to federal income taxation under Section 1375 of the Code for S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25% of the gross receipts of the S corporation is passive investment income.
- Section 86 of the Code requires certain recipients of social security and railroad retirement benefits to include a portion of such benefits in gross income by reason of receipt or accrual of interest on the Certificates.

This section does not present an exhaustive discussion of collateral tax consequences arising from ownership of the Certificates. There may be other provisions of the Code which could adversely

affect the value of an investment in the Certificates for owners of Certificates. Investors should consult their own tax advisors with respect to the tax consequences of owning a Certificate.

State of Wisconsin Income and Franchise Taxes

Interest of the Certificates is subject to State of Wisconsin income and franchise taxes. Investors should consult their own tax advisors with respect to the state and local tax consequences of owning a Certificate.

CONTINUING DISCLOSURE

The State has made an undertaking, for the benefit of the beneficial owners of the Certificates, to provide an annual report presenting certain financial information and operating data about the State (**Annual Reports**). By approximately December 27 of each year, the State will send the report to each nationally recognized municipal securities information repository (**NRMSIR**) and to any state information depository (**SID**). The State will also provide notices of the occurrence of certain events specified in the undertaking to each NRMSIR, or the Municipal Securities Rulemaking Board (**MSRB**), and to any SID. As of the date of this Official Statement, no SID has been established. [Part I of the 2001 Annual Report](#), which contains information on the undertaking, is included by reference as part of this Official Statement.

Copies of the Annual Reports and notices may be obtained from:

State of Wisconsin Capital Finance Office
Department of Administration
101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 266-2305
capfin@doa.state.wi.us

The undertaking also describes the consequences if the State fails to provide any required information. The State must report the failure to the NRMSIRS, or the MSRB, and to any SID. In the last five years, the State has not failed to comply in any material respect with this or any similar undertaking.

Dated: December 11, 2002

STATE OF WISCONSIN,
Acting by and Through the
DEPARTMENT OF ADMINISTRATION

/s/ GEORGE LIGHTBOURN

George Lightbourn, Secretary
State of Wisconsin Department of Administration

APPENDIX A

INFORMATION ABOUT THE STATE

This appendix includes information concerning the State of Wisconsin (**State**). [Part II of the State of Wisconsin Continuing Disclosure Annual Report, dated December 19, 2001 \(2001 Annual Report\)](#) is included by reference as part of this APPENDIX A.

This appendix includes updated information on the State's 2001-03 biennial budget, including summaries of all fiscal bills through the budget reform bill (2001 Wisconsin Act 109), information from the Annual Fiscal Report (Budgetary Basis) for the 2001-02 fiscal year, and revenue estimates for the 2002-03 fiscal year released by the State of Wisconsin Department of Revenue on November 20, 2002.

[Part II to the 2001 Annual Report](#) contains general information about the State. More specifically, that part presents information on the following matters:

- State's operations and financial procedures
- State's accounting and financial reporting
- Organization of, and services provided by, the State
- Results of fiscal year 2000-01
- State budget
- Obligations of the State
- State Investment Board
- Statistical information about the State's population, income, and employment

[Included as APPENDIX A to Part II of the 2001 Annual Report](#) are the audited general purpose financial statements for the fiscal year ending June 30, 2001, prepared in conformity with generally accepted accounting principles (**GAAP**) for governments as prescribed by the Government Accounting Standards Board, and the State Auditor's report.

The 2001 Annual Report has been filed with each nationally recognized municipal securities information repository (**NRMSIR**). Copies of the 2001 Annual Report are available from the Capital Finance Office web site and may also be obtained from:

State of Wisconsin Capital Finance Office
Department of Administration
101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 266-2305
capfin@doa.state.wi.us

As of the date of this Official Statement, Part II of the 2001 Annual Report is available from the Capital Finance Office web site at the following address:

www.doa.state.wi.us/debf/capfin/01dis2.pdf

After publication and filing of the 2001 Annual Report, certain changes or events have occurred that affect items discussed in the 2001 Annual Report. Listed below, by reference to particular sections of the 2001 Annual Report, are changes or additions to the discussion contained in those particular sections. Many of the following changes have not been filed with the NRMSIRS. However, the State has filed, and expects to continue to file, certain informational notices with

the NRMSIRS. These informational notices do not constitute listed material events under the State's Master Agreement on Continuing Disclosure.

General Obligations; Introduction (Part III-Page 73). Update with the following:

On May 27, 2002, Standard & Poor's lowered the State's general obligation rating from "AA" to "AA-". In addition, on March 4, 2002, Moody's Investors Service, Inc. revised the rating outlook on the State's general obligations from "stable" to "negative".

State Budget; Budget for 2001-03; Current Budget Status (Part II-Page 26). Add the following new sections:

Revenue Estimates – January 16, 2002

On January 16, 2002, the Legislative Fiscal Bureau provided revised estimates of general-fund revenues and gross ending estimates for the 2001-02 and 2002-03 fiscal years, taking into account economic forecasts and actual tax collections and expenditures.

Budget Reform Bill for 2001-03

On July 26, 2002, the Governor partially vetoed and signed into law the budget reform bill for the 2001-03 biennium (2001 Wisconsin Act 109). A copy of the approved budget reform bill, which incorporates vetoes made by the Governor, along with the Governor's veto message may be obtained from:

State of Wisconsin Capital Finance Office
Department of Administration
101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 266-2305
capfin@doa.state.wi.us

Results of 2001-02 Fiscal Year

The Annual Fiscal Report (Budgetary Basis) for the 2001-02 fiscal year was published on October 15, 2002. It reports that the State ended the fiscal year on a statutory and unaudited basis with an unreserved, undesignated balance of \$53.8 million. This is \$181.3 million less than the balance of \$235.1 million that was included in the general fund condition statement reflecting all fiscal bills through the budget reform bill for the 2001-03 biennium (2001 Wisconsin Act 109).

The Annual Fiscal Report (Budgetary Basis) showed general purpose revenue collections in the 2001-02 fiscal year were \$189 million less than projected. Individual income tax collections fell short of projections by \$232 million, but general sales tax and corporate income tax collections exceeded projections by \$16 million and \$23 million, respectively.

The tables on pages A-4, A-5, and A-6 include a summary of the Annual Fiscal Report (Budgetary Basis). A copy of the Annual Fiscal Report (Budgetary Basis) for the 2001-02 fiscal year may be obtained from:

State of Wisconsin Capital Finance Office
Department of Administration
101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 266-2305
capfin@doa.state.wi.us

Revenue Estimates – November 20, 2002

On November 20, 2002, the State of Wisconsin Department of Revenue (**Department of Revenue**) released estimates of general-purpose tax revenues for the 2002-03 fiscal year. This estimate is \$10.401 billion, which is approximately \$115 million less than the amount estimated in January 2002 by the Legislative Fiscal Bureau. The Department of Revenue also released estimates of general-purpose tax revenues for the 2003-05 biennium. These estimates are \$10.956 billion for the 2003-04 fiscal year and \$11.597 billion for the 2004-05 fiscal year. A copy of the Department of Revenue report may be obtained from:

State of Wisconsin Capital Finance Office
Department of Administration
101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 266-2305
capfin@doa.state.wi.us

Current Status; 2002-03 Fiscal Year Budget

Based on the revenue estimates that were released by the Department of Revenue on November 20, 2002 and as required by Wisconsin Statutes, the Secretary of the Department of Administration has determined that the estimated revenues are more than one-half of one percent less than authorized expenditures. As also required by Wisconsin Statutes, the Secretary of the Department of Administration has notified the Governor, the Governor-Elect, and the Legislature of this imbalance. Wisconsin Statutes require the Governor to submit a bill containing recommendations for correcting the imbalance between projected revenues and authorized expenditures. If the Legislature is not in session at the time of the notification of this imbalance, the Governor is required to call a special session of the Legislature to take up the matter of the projected revenue shortfall.

Taking into account the undesignated balance available at the end of the 2001-02 fiscal year and the revenue estimates released by the Department of Revenue on November 20, 2002, the estimated gross balance (not including the statutory required reserve) at the end of the 2002-03 fiscal year is estimated to be negative \$186 million. This is approximately \$320 million less than the balance included in the general fund condition statement previously prepared to reflect all fiscal bills signed into law through the budget reform bill for the 2001-03 biennium (2001 Wisconsin Act 109). *The Wisconsin Constitution requires the Legislature to enact a balanced biennial budget, and the Wisconsin Constitution also requires that, if final budgetary expenses of any fiscal year exceed available revenues, the Legislature must take actions to balance the budget in the succeeding fiscal year.*

Updated Budget Tables

The table on page A-4 provides a general summary, and the tables on pages A-5 and A-6 provide a more detailed summary of (1) all fiscal bills signed into law through the budget reform bill for the 2001-03 biennium (2001 Wisconsin Act 109), (2) the Annual Fiscal Report (Budgetary Basis) for the 2001-02 fiscal year, and (3) the revenue estimates released by the Department of Revenue on November 20, 2002.

State Budget Summary
Reflecting All Fiscal Acts Through Budget Reform Bill (2001 Wisconsin Act 109), 2001-02 Annual
Fiscal Report, and November 20, 2002 Revenue Estimates

All-Funds Basis ^(a)
(Amounts in Millions)

	<u>Actual 2001-02</u>	<u>Budget 2001-02</u>	<u>Revised Budget 2002-03^(b)</u>
Beginning Balance	\$ 208	\$ 208	\$ 54 ^(c)
Tax Revenues	11,092	10,210	10,401
Tobacco Securitization Proceeds	681	681	n/a
Tobacco Settlement Payments	156	156	158
Nontax Revenues	<u>14,840</u>	<u>20,214</u>	<u>20,819</u>
Total Amount Available	\$26,977	\$31,469	\$31,432
Total Disbursements/Reserves	<u>\$26,900</u>	<u>\$31,234</u>	<u>\$31,618</u>
Estimated Gross Balance	\$ 77	\$ 235	\$ (186) ^(d)
Designated for Expenditure	33	n/a	n/a
Required Statutory Reserve	<u>n/a</u>	<u>0</u>	<u>134</u>
Net Balance	\$ 44 ^(c)	\$ 235	\$ (320)

General Fund Basis
(Amounts in Millions)

	<u>Actual 2001-02</u>	<u>Budget 2001-02</u>	<u>Revised Budget 2002-03^(b)</u>
Beginning Balance	\$ 208	\$ 208	\$ 54 ^(c)
Tax Revenues	10,036	10,210	10,401
Tobacco Securitization Proceeds	681	681	n/a
Tobacco Settlement Payments	156	156	158
Nontax Revenues	<u>9,976</u>	<u>8,040</u>	<u>8,218</u>
Total Amount Available	\$21,057	\$19,295	\$18,831
Total Disbursements/Reserves	<u>\$20,980</u>	<u>\$19,060</u>	<u>\$19,017</u>
Estimated Gross Balance	\$ 77	\$ 235	\$ (186) ^(d)
Designated for Expenditure	33	n/a	n/a
Required Statutory Reserve	<u>n/a</u>	<u>0</u>	<u>134</u>
Net Balance	\$ 44 ^(c)	\$ 235	\$ (320)

^(a) The all-funds budget assumes that federal funds, revenues paid into specific funds, other than the General Fund, for a specified program or purpose or which are credited to an appropriation to finance a specific program or agency and proceeds of general obligation debt are expended in a like amount. In any given fiscal year, there may be a balance at year-end in the funds, specific program, or agency.

^(b) Reflects ending balance for the 2001-02 fiscal year, revenue estimates released by the Department of Revenue on November 20, 2002, and other adjustments outlined in the report issued by the Department of Administration on November 20, 2002.

^(c) The net balance for the 2001-02 fiscal year reflects a negative \$9.3 million balance in the Program Revenue portion of the General Fund. The beginning balance for the revised budget 2002-03 fiscal year reflects the general-purpose revenue portion of the undesignated balance, as represented in the Annual Fiscal Report (Budgetary Basis) for the 2001-02 fiscal year.

^(d) The Wisconsin Constitution requires the Legislature to enact a balanced biennial budget, and the Wisconsin Constitution also requires that, if final budgetary expenses of any fiscal year exceed available revenues, the Legislature must take actions to balance the budget in the succeeding fiscal year.

Table II-5; State Budget-All Funds (Part II–Page 27). Replace with the following:

	Actual 2001-2002 ^(b)	Budget 2001-2002 2001 Act 109	Budget 2002-2003 2001 Act 109	Revised ^(c) Budget 2002-2003 2001 Act 109
RECEIPTS				
Fund Balance from Prior Year.....	\$ 207,508,000	\$ 207,508,000	\$ 235,056,200	\$ 53,800,000 ^(d)
Tax Revenue				
Individual Income.....	4,979,662,000	5,211,450,000	5,310,600,000	5,247,800,000
General Sales and Use.....	3,695,796,000	3,680,000,000	3,830,200,000	3,793,400,000
Corporate Franchise and Income.....	503,008,000	480,000,000	535,000,000	509,100,000
Public Utility.....	252,237,000	253,700,000	257,400,000	260,300,000
Excise				
Cigarette/Tobacco Products.....	302,701,000	310,400,000	320,100,000	308,500,000
Liquor and Wine.....	35,984,000	35,100,000	36,200,000	36,300,000
Malt Beverage.....	9,597,000	9,400,000	9,400,000	9,500,000
Inheritance, Estate & Gift.....	82,635,000	85,000,000	67,000,000	74,000,000
Insurance Company.....	96,055,000	87,000,000	90,000,000	97,000,000
Other.....	1,134,073,000	57,600,000 ^(e)	59,600,000 ^(e)	65,000,000 ^(e)
Subtotal.....	11,091,748,000	10,209,650,000	10,515,500,000	10,400,900,000
Nontax Revenue				
Departmental Revenue				
Tobacco Settlement.....	156,215,305	155,526,000	157,602,800	157,602,800
Tobacco Securitization.....	681,000,000	681,000,000	NA	NA
Other.....	216,528,695	243,803,700	257,177,100	257,177,100
Total Federal Aids.....	7,203,159,000	5,493,709,000	5,606,106,100	5,606,106,100
Total Program Revenue.....	3,386,974,000	3,020,118,400	3,100,962,000	3,100,962,000
Total Segregated Funds.....	4,847,843,000	3,496,396,200	3,582,769,100	3,582,769,100
Bond Authority.....	785,364,000	500,000,000	383,000,000	383,000,000
Employee Benefit Contributions ⁽ⁱ⁾	(1,598,517,000)	7,461,324,917	7,889,603,973	7,889,603,973
Subtotal.....	15,678,567,000	21,051,878,217	20,977,221,073	20,977,221,073
Total Available.....	\$ 26,977,823,000	\$ 31,469,036,217	\$ 31,727,777,273	\$ 31,431,921,073
DISBURSEMENTS AND RESERVES				
Commerce.....	\$ 428,003,000	\$ 421,596,400	\$ 418,614,500	418,614,500
Education.....	8,863,016,000	8,696,353,000	8,930,245,000	8,930,245,000
Environmental Resources.....	2,803,318,000	2,683,416,100	2,757,712,700	2,757,712,700
Human Relations and Resources.....	10,147,579,000	7,817,267,000	8,076,729,800	8,076,729,800
General Executive.....	5,007,479,000	770,619,400	774,435,400	774,435,400
Judicial.....	107,866,000	105,320,100	105,852,900	105,852,900
Legislative.....	62,114,000	64,189,400	60,590,500	60,590,500
General Appropriations.....	4,224,747,000	2,935,393,800	2,287,220,700 ^(g)	2,287,220,700 ^(g)
General Obligation Bond Program.....	542,938,000	500,000,000	383,000,000	383,000,000
Employee Benefit Payments ⁽ⁱ⁾	3,963,334,000	3,377,515,809	3,830,081,149	3,830,081,149
Reserve for Employee Benefit Payments ⁽ⁱ⁾	NA	4,083,809,108	4,059,522,824	4,059,522,824
Subtotal.....	36,150,394,000	31,455,480,117	31,684,005,473	31,684,005,473
Less: (Lapses).....	NA	(252,921,200)	(186,675,700)	(161,675,700) ^(h)
Compensation Reserves.....	NA	25,388,800	79,815,500	79,815,500
Required Statutory Balance.....	NA	-	134,416,600	134,300,000
Transfer to Tobacco Control Board.....	NA	6,032,300	15,345,100	15,345,100
Change in Continuing Balance.....	(9,249,999,000)	NA	NA	NA
Total Disbursements & Reserves.....	\$ 26,900,395,000	\$ 31,233,980,017	\$ 31,726,906,973	\$ 31,751,790,373
Fund Balance.....	\$ 77,428,000	\$ 235,056,200	\$ 870,300	\$ (319,869,300)
Undesignated Balance.....	\$ 44,469,000 ^(j)	\$ 235,056,200	\$ 135,286,900	\$ (185,569,300) ^(k)

(a) The amounts shown are based on statutorily required accounting and not on GAAP. The all-funds budget assumes that federal funds, revenues paid into specific funds, other than the General Fund, for a specified program or purpose or which are credited to an appropriation to finance a specific program or agency and proceeds of general obligation debt are expended in a like amount. In any given fiscal year, there may be a balance at year-end in the funds, specific program, or agency.

(b) The amounts shown are unaudited and rounded to the nearest thousand dollars.

(c) The Department of Administration prepared a modified fund condition statement for the 2002-03 fiscal year based on revised tax collection estimates and the ending balance for the fiscal year ending June 30, 2002.

(d) This is the General Purpose Revenue portion of the General Fund undesignated balance as of June 30, 2002.

(e) The budgeted amounts do not include taxes collected for segregated funds. The largest such tax is the motor fuel tax. The State collected \$865 million of motor fuel taxes in the 2001-02 fiscal year.

(f) State law separates the accounting of employee benefits from the budget. They are included for purposes of comparability to the figures presented in this table and Tables II-1 and II-2 in Part II of the 2001 Annual Report.

(g) Tobacco securitization proceeds in the amount of approximately \$598 million were used to fund a portion of the shared revenue payments to local governmental

(h) The lapse has been revised downward to reflect the realization of \$25 million from restructuring a portion of the State's general obligation debt, which had been previously assumed to occur in the 2002-03 fiscal year.

(i) A required balance for the 2001-02 fiscal year was not specified.

(j) The General Fund balance reported in the Annual Fiscal Report, Budgetary Basis, for the fiscal year ending June 30, 2002, includes a negative \$9.3 million ending balance in the Program Revenue portion of the General Fund.

(k) The Wisconsin Constitution requires the Legislature to enact a balanced biennial budget, and the Wisconsin Constitution also requires that, if final budgetary expenses of any fiscal year exceed available revenues, the Legislature must take actions to balance the budget in the succeeding fiscal year.

Sources: Legislative Fiscal Bureau and Wisconsin Department of Administration.

Table II-6; State Budget-General Fund (Part II–Page 28). Replace with the following:

	Actual 2001-2002 ^(b)	Budget 2001-2002 2001 Act 109	Budget 2002-2003 2001 Act 109	Revised (c) Budget 2002-2003 2001 Act 109
RECEIPTS				
Fund Balance from Prior Year.....	\$ 207,508,000	\$ 207,508,000	\$ 235,056,200	\$ 53,800,000 ^(d)
Tax Revenue				
State Taxes Deposited to General Fund				
Individual Income.....	4,979,662,000	5,211,450,000	5,310,600,000	5,247,800,000
General Sales and Use.....	3,695,796,000	3,680,000,000	3,830,200,000	3,793,400,000
Corporate Franchise and Income.....	503,008,000	480,000,000	535,000,000	509,100,000
Public Utility.....	252,237,000	253,700,000	257,400,000	260,300,000
Excise				
Cigarette/Tobacco Products.....	302,701,000	310,400,000	320,100,000	308,500,000
Liquor and Wine.....	35,984,000	35,100,000	36,200,000	36,300,000
Malt Beverage.....	9,597,000	9,400,000	9,400,000	9,500,000
Inheritance, Estate & Gift.....	82,635,000	85,000,000	67,000,000	74,000,000
Insurance Company.....	96,055,000	87,000,000	90,000,000	97,000,000
Other.....	79,028,000	57,600,000	59,600,000	65,000,000
Subtotal.....	<u>10,036,703,000</u>	<u>10,209,650,000</u>	<u>10,515,500,000</u>	<u>10,400,900,000</u>
Nontax Revenue				
Departmental Revenue				
Tobacco Settlement.....	156,215,305	155,526,000	157,602,800	157,602,800
Tobacco Securitization.....	681,000,000	681,000,000	NA	NA
Other.....	216,528,695	243,803,700	257,177,100	257,177,100
Program Revenue-Federal.....	6,372,653,000	4,777,029,000	4,860,982,500	4,860,982,500
Program Revenue-Other.....	3,386,974,000	3,020,118,400	3,100,962,000	3,100,962,000
Subtotal.....	<u>10,813,371,000</u>	<u>8,877,477,100</u>	<u>8,376,724,400</u>	<u>8,376,724,400</u>
Total Available.....	<u>\$ 21,057,582,000</u>	<u>\$ 19,294,635,100</u>	<u>\$ 19,127,280,600</u>	<u>\$ 18,831,424,400</u>
DISBURSEMENTS AND RESERVES				
Commerce.....	\$ 212,449,000	227,466,600	229,610,200	229,610,200
Education.....	8,603,653,000	8,627,420,500	8,857,403,500	8,857,403,500
Environmental Resources.....	227,949,000	255,966,000	256,362,000	256,362,000
Human Relations and Resources.....	8,538,786,000	7,414,039,100	7,546,331,400	7,546,331,400
General Executive.....	614,520,000	636,302,000	640,955,900	640,955,900
Judicial.....	107,534,000	104,611,000	105,143,800	105,143,800
Legislative.....	62,114,000	64,189,400	60,590,500	60,590,500
General Appropriations.....	<u>2,881,603,000</u>	<u>1,951,084,400</u>	<u>1,387,111,500 ^(e)</u>	<u>1,387,111,500 ^(e)</u>
Subtotal.....	21,248,608,000	19,281,079,000	19,083,508,800	19,083,508,800
Less: (Lapses).....	NA	(252,921,200)	(186,675,700)	(161,675,700) ^(f)
Compensation Reserves.....	NA	25,388,800	79,815,500	79,815,500
Required Statutory Balance.....	NA	-	134,416,600	134,300,000
Transfer to Tobacco Control Board.....	NA	6,032,300	15,345,100	15,345,100
Changes in Continuing Balance.....	(268,454,000)	NA	NA	NA
Total Disbursements & Reserves.....	<u>\$ 20,980,154,000</u>	<u>\$ 19,059,578,900</u>	<u>\$ 19,126,410,300</u>	<u>\$ 19,151,293,700</u>
Fund Balance.....	\$ 77,428,000	\$ 235,056,200	\$ 870,300	\$ (319,869,300)
Undesignated Balance.....	\$ 44,469,000 ^(h)	\$ 235,056,200	\$ 135,286,900	\$ (185,569,300) ^(k)

(a) The amounts shown are based on statutorily required accounting and not on GAAP.

(b) The amounts shown are unaudited and rounded to the nearest thousand dollars.

(c) The Department of Administration prepared a modified fund condition statement for the 2002-03 fiscal year based on revised tax collection estimates and the ending balance for the fiscal year ending June 30, 2002.

(d) This is the General Purpose Revenue portion of the General Fund undesignated balance as of June 30, 2002.

(e) Tobacco securitization proceeds in the amount of approximately \$598 million are used to fund a portion of the shared revenue payments to local governmental units.

(f) The lapse has been revised downward to reflect the realization of \$25 million from restructuring a portion of the State's general obligation debt, which previously had been assumed to occur in the 2002-03 fiscal year.

(g) A required balance for the 2001-02 fiscal year was not specified.

(h) The General Fund balance reported in the Annual Fiscal Report, Budgetary Basis, for the fiscal year ending June 30, 2002, includes a negative \$9.3 million ending balance in the Program Revenue portion of the General Fund.

(i) The Wisconsin Constitution requires the Legislature to enact a balanced biennial budget, and the Wisconsin Constitution also requires that, if final budgetary expenses of any fiscal year exceed available revenues, the Legislature must take actions to balance the budget in the succeeding fiscal year.

Sources: Legislative Fiscal Bureau and Wisconsin Department of Administration.

General Fund Information; General Fund Cash Flow (Part II–Pages 35-41).

The following provide updates to various tables containing general fund information. Unless noted, the following information *reflects all fiscal bills through the budget reform bill (2001 Wisconsin Act 109) but does not reflect the revenue estimates released by the Department of Revenue on November 20, 2002.*

The following tables show negative cash-basis balances for June 30, 2002 and June 30, 2003. While these balances, on a cash basis, may be negative, the Wisconsin Constitution requires the Legislature to enact a biennial budget that, on a budgetary basis, is balanced. The Annual Fiscal Report (Budgetary Basis) for the fiscal year ending June 30, 2002 includes a positive budgetary-basis balance. The Wisconsin Constitution requires that, if final budgetary expenses of any fiscal year exceed available revenues, the Legislature must take actions to balance the budget, on a budgetary basis, in the succeeding fiscal year. The Wisconsin Statutes provide certain administrative remedies, such as interfund borrowing, to deal with periods when the balance, on a cash basis, is negative.

Table II-8; Actual and Projected General Fund Cash Flow (Page 37). Update the table with the following:

ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2001 TO JUNE 30, 2002^(a)

(In Thousands of Dollars)

	July 2001	August 2001	September 2001	October 2001	November 2001	December 2001	January 2002	February 2002	March 2002	April 2002	May 2002	June 2002
BALANCES^(b)												
Beginning Balance	281,565	3,398	397,659	1,290,819	1,821,610	943,651	383,667	1,104,720	969,120	-231,221	265,687	576,402
Ending Balance	3,398	397,659	1,290,819	1,821,610	943,651	383,667	1,104,720	969,120	-231,221	265,687	576,402	-421,915
Lowest Daily Balance ^(c)	-162,060	-202,246	-99,652	1,248,678	943,651	-60,419	383,667	883,723	-280,013	-359,784	-4,720	-727,357
RECEIPTS												
TAX RECEIPTS												
Individual Income	507,468	388,372	533,868	508,613	399,103	479,545	740,505	433,688	347,168	855,221	392,265	517,532
Sales & Use	343,973	356,048	342,096	348,297	358,636	323,538	383,293	303,711	260,578	305,548	325,402	326,813
Corporate Income	12,421	16,903	112,886	24,461	10,693	126,388	22,464	12,155	153,340	23,862	15,539	100,395
Public Utility	0	0	518	3,561	131,654	1,357	0	49	19	3,392	127,117	246
Excise	29,231	26,372	28,085	27,504	39,451	27,407	27,457	30,526	25,651	26,687	30,945	29,756
Insurance	999	1,657	19,935	339	887	19,336	2,245	11,471	14,959	25,486	4,329	21,984
Inheritance	6,638	6,162	13,423	5,645	5,568	4,969	7,275	8,310	4,675	10,147	3,781	8,466
Subtotal Tax Receipts	900,730	795,514	1,050,811	918,420	945,992	982,560	1,183,239	799,910	806,390	1,250,343	899,378	1,005,192
NON-TAX RECEIPTS												
Federal	343,646	452,855	365,526	452,845	346,684	378,392	457,577	444,893	390,521	443,150	426,659	479,199
Other & Transfers ^(d)	331,074	249,196	303,861	260,628	176,794	169,672	373,822	325,284	333,621	376,849	829,134	268,909
Note Proceeds ^(e)	0	0	800,000	0	0	0	0	0	0	0	0	0
Subtotal Non-Tax Receipts	674,720	702,051	1,469,387	713,473	523,478	548,064	831,399	770,177	724,142	819,999	1,255,793	748,108
TOTAL RECEIPTS	1,575,450	1,497,565	2,520,198	1,631,893	1,469,470	1,530,624	2,014,638	1,570,087	1,530,532	2,070,342	2,155,171	1,753,300
DISBURSEMENTS												
Local Aids	878,438	160,458	663,004	99,188	975,970	1,138,856	208,135	260,487	1,140,896	122,049	250,535	1,729,015
Income Maintenance	363,315	352,214	309,334	372,969	339,757	342,249	335,842	349,016	361,694	359,467	394,422	365,417
Payroll and Related	215,318	300,380	204,832	303,186	421,307	234,716	326,851	296,263	298,780	328,583	441,038	246,924
Tax Refunds	105,487	44,995	40,906	43,602	66,467	138,297	63,460	338,234	309,105	292,892	220,041	150,891
Debt Service	7	12,463	108,775	0	1,882	0	0	12,069	165,264	0	7,814	-5
Miscellaneous ^(f)	291,052	232,794	294,187	282,157	542,046	236,490	359,297	252,672	250,417	265,335	325,208	259,375
Note Repayment ^(g)	0	0	0	0	0	0	0	196,946	204,717	205,108	205,398	0
TOTAL DISBURSEMENTS	1,853,617	1,103,304	1,627,038	1,101,102	2,347,429	2,090,608	1,293,585	1,705,687	2,730,873	1,573,434	1,844,456	2,751,617

(a) Excludes interfund borrowing. This table does NOT represent the State's ending budgetary-basis fund balance for FY02. The Annual Fiscal Report (Budgetary Basis) was released by the State on October 15, 2002 and includes the ending budgetary-basis fund balance for FY02. This table also does NOT reflect the budget reform bill (2001 Wisconsin Act 109) that was signed into law by Governor McCallum on July 26, 2002.

(b) The General Fund cash balances presented in this schedule are not based on Generally Accepted Accounting Principles (GAAP). The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's Universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. Their designated funds were expected to range from \$150 to \$300 million during FY02. In addition, the General Fund is the depository for several escrow accounts pursuant to court orders or federal rulings. These funds were expected to average approximately \$50 million during FY02.

(c) The Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds (up to 5% of the general-purpose revenue appropriations then in effect) to the General Fund. Based on the revised general fund condition statement provided by the Legislative Fiscal Bureau in January 2002, this amount was \$569 million for FY02. In addition, the Secretary of Administration may also temporarily reallocate an additional amount up to 3% of the general-purpose revenue appropriations then in effect (\$341 million) for a period of up to 30 days.

(d) Reflects receipt on May 23, 2002 of the \$450 million of proceeds from the sale and subsequent securitization of payments due the State from tobacco manufacturers under the Master Settlement Agreement.

(e) Includes \$800 million in operating note proceeds received in September, 2001 and impoundment payments made on February 28, March 29, April 30, and May 31, 2002. The February 28, 2002 impoundment payment excluded the premium that was deposited on September 20, 2001 into the operating note redemption fund.

(f) \$275 million in federal intergovernmental transfer funds were transferred to the Medical Assistance Trust Fund on November 30, 2001.

**ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2002 TO OCTOBER 31, 2002
PROJECTED GENERAL FUND CASH FLOW; NOVEMBER 1, 2002 TO JUNE 30, 2003^(a)**

(In Thousands of Dollars)

	July 2002	August 2002	September 2002	October 2002 ^(b)	November 2002	December 2002	January 2003	February 2003	March 2003	April 2003	May 2003	June 2003
BALANCES^(c)												
Beginning Balance	-421,915	-616,711	-151,597	312,086	637,718	670,917	100,731	825,143	1,013,746	409,956	797,015	926,359
Ending Balance ^(d)	-616,711	-151,597	312,086	637,718	670,917	100,731	825,143	1,013,746	409,956	797,015	926,359	-18,297
Lowest Daily Balance ^(e)	-835,846	-682,211	-292,593	146,623	516,256	-428,768	70,675	659,379	241,162	211,297	480,636	-519,930
RECEIPTS												
TAX RECEIPTS												
Individual Income	515,747	350,778	629,833	469,429	406,649	422,952	801,978	421,220	434,106	772,721	419,624	596,086
Sales & Use	360,882	367,587	361,239	344,735	348,123	261,032	402,229	309,647	293,937	295,981	353,173	337,702
Corporate Income	14,037	12,214	110,295	24,404	14,442	129,070	21,589	10,866	139,619	25,385	15,475	113,814
Public Utility	197	19	211	4,299	131,354	821	319	10	358	11,550	110,080	260
Excise	32,420	32,992	32,434	32,234	33,113	31,604	29,169	27,873	26,762	29,331	28,279	31,817
Insurance	1,086	1,897	22,836	784	1,011	19,553	1,641	6,984	15,417	17,247	2,609	18,356
Inheritance	6,834	7,406	14,701	3,871	3,914	12,589	3,959	6,686	6,945	5,755	2,935	4,193
Subtotal Tax Receipts	931,203	772,893	1,171,549	879,756	938,606	877,621	1,260,884	783,286	917,144	1,157,970	932,175	1,102,228
NON-TAX RECEIPTS												
Federal	451,110	384,251	473,314	500,946	339,334	375,171	520,748	431,686	409,647	404,427	414,029	426,321
Other & Transfers ^(f)	318,163	479,857	381,016	225,312	267,865	245,459	365,139	329,873	298,147	352,668	274,763	330,888
Note Proceeds ^(g)	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Non-Tax Receipts	769,273	864,108	854,330	726,258	607,199	620,630	885,887	761,559	707,794	757,095	688,792	757,209
TOTAL RECEIPTS	1,700,476	1,637,001	2,025,879	1,606,014	1,545,805	1,498,251	2,146,771	1,544,845	1,624,938	1,915,065	1,620,967	1,859,437
DISBURSEMENTS												
Local Aids ^(h)	903,055	166,454	704,521	101,549	446,464	1,200,571	217,612	283,242	1,197,945	117,616	247,682	1,807,322
Income Maintenance	357,630	355,727	306,119	359,298	327,629	292,526	384,339	302,172	300,811	377,619	337,044	307,078
Payroll and Related	289,522	317,944	213,252	361,884	420,350	218,927	411,144	298,560	221,408	333,915	435,905	249,021
Tax Refunds	46,735	41,583	44,505	55,983	72,103	39,929	55,503	221,254	262,633	214,890	163,748	138,003
Debt Service	0	1,159	0	120,742	2,840	0	0	2,840	0	255,480	29,399	0
Miscellaneous	298,330	289,020	293,799	280,926	243,220	316,484	353,761	248,174	245,931	228,486	277,845	302,669
Note Repayment ⁽ⁱ⁾	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL DISBURSEMENTS	1,895,272	1,171,887	1,562,196	1,280,382	1,512,606	2,068,437	1,422,359	1,356,242	2,228,728	1,528,006	1,491,623	2,804,093

(a) Projections include assumptions from all fiscal bills enacted into law through 2001 Wisconsin Act 109 but are presented on a cash basis and not a budgetary basis. Projections do not include interfund transfers. Projections do not reflect the revised revenue estimates for FY03 as released by the Department of Revenue.

(b) Receipt and disbursements for October do not include \$599 million in intergovernmental transfer moneys that were both received and disbursed from the General Fund on October 2, 2002.

(c) The General Fund cash balances presented in this schedule are not based on Generally Accepted Accounting Principles (GAAP). The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's Universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. Other designated funds are expected to range from \$150 to \$300 million during FY03. In addition, the General Fund is the depository for several escrow accounts pursuant to court orders or federal rulings. These funds are expected to average approximately \$50 million during FY03.

(d) The Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds (up to 5% of the general-purpose revenue appropriations then in effect) to the General Fund. This amount is approximately \$551 million for FY03. In addition, the Secretary of Administration may also temporarily reallocate an additional amount up to 3% of the general-purpose revenue appropriations then in effect (approximately \$331 million) for a period of up to 30 days. If the amount of interfund borrowing available to the general fund is not sufficient, the Secretary of Administration is authorized to prorate and defer certain payments.

(e) Reflects receipt on August 1, 2002 of \$23 million of proceeds from the sale and subsequent securitization of payments due the State from tobacco manufacturers under the Master Settlement Agreement.

(f) Does not include any proceeds from the issuance of operating notes and as a result does not include any impoundment payments.

(g) Reflects use in November 2002 of approximately \$600 million of proceeds from the sale and subsequent securitization of payments due the State from tobacco manufacturers under the Master Settlement Agreement to make a portion of the shared revenue payment.

Table II-9; General Fund Monthly Position (Page 38). Update the table with the following:

**GENERAL FUND MONTHLY CASH POSITION^(a)
July 1, 2000 through October 31, 2002 — Actual
November 1, 2002 through June 30, 2003 — Estimated^(b)**

	<u>Starting Date</u>	<u>Starting Balance</u>	<u>Receipts^(c)</u>	<u>Disbursements^(c)</u>
2000	July.....	\$ 671,608	\$ 1,405,811	\$ 1,674,899
	August.....	402,520	1,391,600	1,036,240
	September.....	757,880	1,716,848	1,540,488
	October.....	934,240	1,545,868	1,039,609
	November.....	1,440,499	1,451,918	1,886,868
2001	December.....	1,005,549	1,335,205	2,070,373
	January.....	270,381	2,143,861	1,190,946
	February.....	1,223,296	1,494,577	1,339,377
	March.....	1,378,496	1,381,012	2,312,836
	April.....	446,672	2,042,531	1,469,093
	May.....	1,020,110	1,800,948	1,405,982
	June.....	1,415,076	1,698,317	2,831,828
	July.....	281,565	1,575,450	1,853,617
	August.....	3,398	1,497,565	1,103,304
	September.....	397,659	2,520,198	1,627,038
	October.....	1,290,819	1,631,893	1,101,102
	November.....	1,821,610	1,469,470	2,347,429
2002	December.....	943,651	1,530,624	2,090,608
	January.....	383,667	2,014,638	1,293,585
	February.....	1,104,720	1,570,087	1,705,687
	March.....	969,120	1,530,532	2,730,873
	April.....	(231,221)	2,070,342	1,573,434
	May.....	265,687	2,155,171	1,844,456
	June.....	576,402	1,753,300	2,751,617
	July.....	(421,915)	1,700,476	1,895,272
	August.....	(616,711) ^(d)	1,637,001	1,171,887
	September.....	(151,597) ^(d)	2,025,879	1,562,196
	October.....	312,086	1,606,014	1,280,382
	2003	November.....	637,718	1,545,805
December.....		670,917	1,498,251	2,068,437
January.....		100,731	2,146,771	1,422,359
February.....		825,143	1,544,845	1,356,242
March.....		1,013,746	1,624,938	2,228,728
April.....		409,956	1,915,065	1,528,006
May.....		797,015	1,620,967	1,491,623
June.....		926,359 ^(d)	1,859,437	2,804,093

(Amounts in Thousands)

- (a) The General Fund balances presented in this table are not based on Generally Accepted Accounting Principles (GAAP).
- (b) The monthly receipt and disbursement projections for November 1, 2002 through June 30, 2003 are based on all fiscal bills through 2001 Wisconsin Act 109 but do not reflect the revenue estimates released by the Department of Revenue on November 20, 2002.
- (c) The amounts shown in September 2001 include receipts from the issuance of operating notes and amounts shown in February–May 2002 include disbursements for impoundment payments required in connection with the issuance of operating notes. No operating notes were issued in 2000-01 fiscal year, and as of this date, no operating notes have been issued for the 2002-03 fiscal year. As a result, the amounts shown for 2002-03 fiscal year do not include receipts or impoundment payments resulting from the issuance of any operating notes.
- (d) The Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds (up to 5% of the general-purpose revenue appropriations then in effect) to the General Fund. Based on 2001 Wisconsin Act 109, this amount is approximately \$551 million for the 2002-03 fiscal year. In addition, the Secretary of Administration may also temporarily reallocate an additional amount up to 3% of the general-purpose revenue appropriations then in effect (approximately \$331 million for the 2002-03 fiscal year) for a period of up to 30 days. If the amount of interfund borrowing available to the General Fund is not sufficient, the Secretary of Administration is authorized to prorate and defer certain payments.

Source: Wisconsin Department of Administration.

Table II-10; Balances in Funds Available for Interfund Borrowing (Page 39). Update the table with the following:

BALANCES IN FUNDS AVAILABLE FOR INTERFUND BORROWING^(a)
July 31, 2000 to October 31, 2002 — Actual
November 30, 2002 to June 30, 2003— Estimated^(b)
(Amounts in Millions)

<u>Month (Last Day)</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
January		\$ 4,435	\$ 5,360	\$ 1,887
February		4,786	5,463	1,976
March		5,213	5,628	2,011
April		4,952	5,135	1,825
May		4,680	4,819	1,809
June		4,925	5,001	1,882
July	\$ 4,084	5,275	5,401	
August	3,743	4,785	4,844	
September	3,796	4,897	4,705	
October	3,378	4,328	4,043	
November	3,489	4,242	1,601 ^(b)	
December	3,701	4,737	1,781	

^(a) Consists of the following funds:

Transportation	Common School
Conservation (Partial)	Normal School
Wisconsin Health Education Loan Repayment	University
Waste Management	Local Government Investment Pool
Wisconsin Election Campaign	Farms for the Future
Investment & Local Impact	Agrichemical Management
Elderly Property Tax Deferral	Historical Society Trust
Lottery	School Income Fund
Children's Trust	Benevolent
Racing	Groundwater
Work Injury Supplemental Benefit	Petroleum Storage Environmental Cleanup
Unemployment Compensation Interest Repayment	Environmental Improvement Fund
Uninsured Employers	Environmental
Health Insurance Risk Sharing Plan	Recycling
Local Government Property Insurance	University Trust Principal
Patients Compensation	Veterans Mortgage Loan Repayment
Mediation	State Building Trust
Agricultural College	

^(b) Estimated balances for November 30, 2002 and subsequent months include as an assumption that only 20% of the amount will be available for the local government investment pool. The local government investment pool is composed of funds deposited by local units of government that may be withdrawn without notice. Balances in the local government investment pool the past five years have ranged from a low of \$2.096 billion on November 14, 1997 to a high of \$4.684 billion on March 26, 2002. Under Section 20.002 (11), Wisconsin Statutes, interfund borrowing is limited to 5% of the total general-purpose revenue appropriations then in effect and an additional 3% for a period of up to 30 days. The 5% amount is approximately \$551 million and the additional 3% amount for a period of up to 30 days is approximately \$331 million for the 2002-03 fiscal year.

Source: Wisconsin Department of Administration.

New Table; General Fund Cash Receipts and Disbursements Year-To-Date; Compared to Estimates and Previous Fiscal Year. Add the following table:

**GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE
COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR^(a)
(Cash Basis)
As of October 31, 2002**

	<u>FY02 through October 2001</u>	<u>FY03 through October 2002</u>			Difference FY02 Actual to FY03 Actual
	<u>Actual</u>	<u>Actual</u>	<u>Estimate^(b)</u>	<u>Variance</u>	
RECEIPTS					
Tax Receipts					
Ind. Income	1,938,321	1,965,787	1,854,437	111,350	27,466
Sales	1,390,414	1,434,443	1,405,998	28,445	44,029
Corp. Income	166,671	160,950	175,335	(14,385)	(5,721)
Public Utility	4,079	4,726	2,646	2,080	647
Excise	111,192	130,080	130,958	(878)	18,888
Insurance	22,930	26,603	22,751	3,852	3,673
Inheritance	31,868	32,812	21,728	11,084	944
Total Tax Receipts	3,665,475	3,755,401	3,613,853	141,548	89,926
Non-Tax Receipts					
Federal	1,614,872	1,809,621	1,586,367	223,254	194,749
Other and Transfers	1,144,759	1,404,348	1,419,066	(14,718)	259,589
Note Proceeds ^(c)	800,000	-	-	-	(800,000) ^(c)
Total Non-Tax Receipts	3,559,631	3,213,969	3,005,433	208,536	(345,662)
TOTAL RECEIPTS	7,225,106	6,969,370	6,619,286	350,084	(255,736)
DISBURSEMENTS					
Local Aids	1,801,088	1,875,579	1,892,012	16,433	74,491
Income Maintenance	1,397,832	1,378,774	1,327,465	(51,309)	(19,058)
Payroll & Related	1,023,716	1,182,602	1,191,724	9,122	158,886
Tax Refunds	240,990	188,806	210,750	21,944	(52,184)
Debt Service	121,245	121,901	129,162	7,261	656
Miscellaneous	1,100,190	1,162,075	1,067,112	(94,963)	61,885
Note Repayment ^(c)	-	-	-	-	-
TOTAL DISBURSEMENTS	5,685,061	5,909,737	5,818,225	(91,512)	224,676
VARIANCE FY03 YEAR-TO-DATE				258,572	

(a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly general fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.

(b) Estimates include assumptions from all fiscal bills enacted into law through 2001 Wisconsin Act 109 but are presented on a cash basis and not a budgetary basis.

(c) Operating notes were issued in the 2001-02 fiscal year but, as of the date of this Official Statement, have not been issued for the 2002-03 fiscal year.

Table II-11; General Fund Recorded Revenues (Page 40). Update the table with the following:

(Agency Recorded Basis)
July 1, 2002 to October 31, 2002 compared with previous year ^(a)

	Annual Fiscal Report Revenues <u>2001-02FY^(b)</u>	Projected Revenues <u>2002-03 FY^(c)</u>	Recorded Revenues July 1, 2001 to <u>October 31, 2001^(d)</u>	Recorded Revenues July 1, 2002 to <u>October 31, 2002^(e)</u>
Individual Income Taxes.....	\$ 4,979,662,000	\$ 5,310,600,000	\$ 1,433,828,771	\$ 1,450,167,308
General Sales and Use Taxes..	3,695,796,000	3,830,200,000	920,847,945	980,121,996
Corporate Franchise and Income Taxes.....	503,008,000	535,000,000	145,742,221	129,784,740
Public Utility Taxes	252,237,000	257,400,000	1,631,095	877,595
Excise Taxes	348,282,000	365,700,000	81,316,033	96,411,519
Inheritance Taxes	82,635,000	67,000,000	31,477,677	31,991,341
Insurance Company Taxes.....	96,055,000	90,000,000	20,742,810	24,725,289
Miscellaneous Taxes	62,509,000	59,600,000	23,615,100	31,212,699
SUBTOTAL.....	<u>10,020,184,000</u>	<u>10,515,500,000</u>	<u>2,659,201,652</u>	<u>2,745,292,487</u>
Federal and Other Inter- governmental Revenues ^(f)	6,372,653,000	4,860,982,500	1,626,119,471	2,427,195,420
Dedicated and Other Revenues ^(g)	<u>4,457,237,000</u>	<u>3,515,741,900</u>	<u>1,132,010,179</u>	<u>1,664,931,143</u>
TOTAL.....	<u>\$ 20,850,074,000</u>	<u>\$ 18,892,224,400</u>	<u>\$ 5,417,331,302</u>	<u>\$ 6,837,419,050</u>

- (a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
- (b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2001-02 fiscal year, dated October 15, 2002.
- (c) Projected revenues are based on all fiscal bills through 2001 Wisconsin Act 109 but do not reflect the revenue estimates for the 2002-03 fiscal year that were released by the Department of Revenue on November 20, 2002.
- (d) The amounts shown are 2001-02 fiscal year revenues as recorded by state agencies.
- (e) The amounts shown are 2002-03 fiscal year revenues as recorded by state agencies.
- (f) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.
- (g) Certain transfers between General Fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.

Source: Wisconsin Department of Administration.

Table II-12; General Fund Recorded Expenditures By Function (Page 41). Update the table with the following:

**(Agency Recorded Basis)
July 1, 2002 to October 31, 2002 compared with previous year ^(a)**

	Annual Fiscal Report Expenditures 2001-02 FY ^(b)	Appropriations 2002-03 FY ^(c)	Recorded Expenditures July 1, 2001 to October 31, 2001 ^(d)	Recorded Expenditures July 1, 2002 to October 31, 2002 ^(e)
Commerce.....	\$ 212,449,000	\$ 229,610,200	\$ 74,194,114	\$ 79,631,839
Education.....	8,603,653,000	8,857,403,500	1,997,924,695	2,142,809,499
Environmental Resources.....	227,949,000	256,362,000	81,721,060	90,862,686
Human Relations & Resources.....	8,538,786,000	7,546,331,400	2,461,096,999	3,122,354,679
General Executive.....	614,520,000	640,955,900	185,506,476	206,059,838
Judicial.....	107,534,000	105,143,800	37,921,133	41,209,754
Legislative.....	62,114,000	60,590,500	17,459,331	17,576,496
General Appropriations.....	<u>2,881,603,000</u>	<u>1,387,111,500</u>	<u>686,551,389</u>	<u>1,298,055,031</u>
TOTAL.....	<u>\$ 21,248,608,000</u>	<u>\$ 19,083,508,800</u>	<u>\$ 5,542,375,197</u>	<u>\$ 6,998,559,822</u>

- (a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
- (b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2001-02 fiscal year, dated October 15, 2002.
- (c) Estimated appropriations based on all fiscal bills through 2001 Wisconsin Act 109.
- (d) The amounts shown are 2001-02 fiscal year expenditures as recorded by state agencies.
- (e) The amounts shown are 2002-03 fiscal year expenditures as recorded by state agencies.

Source: Wisconsin Department of Administration.

APPENDIX B

INFORMATION ABOUT THE MASTER LEASE PROGRAM

This appendix includes information concerning the Master Lease Program (**Program**) and master lease certificates of participation. [Part IV of the State of Wisconsin Continuing Disclosure Annual Report, dated December 19, 2001 \(2001 Annual Report\)](#) is included by reference as part of this APPENDIX B.

[Part IV to the 2001 Annual Report](#) contains the following information:

- Program structure
- Program operations
- Security for the master lease certificates of participation
- Risk factors
- Outstanding master lease certificates of participation
- Outstanding Lease Schedules
- Summary of the Master Lease
- Summary of the Master Indenture

The 2001 Annual Report has been filed with each nationally recognized municipal securities information repository (**NRMSIR**). Copies of the 2001 Annual Report are available from the Capital Finance Office web site and may also be obtained from:

State of Wisconsin Capital Finance Office
Department of Administration
101 East Wilson Street, FLR 10
P.O. Box 7864
Madison, WI 53707-7864
(608) 266-2305
capfin@doa.state.wi.us

As of the date of this Official Statement, Part IV of the 2001 Annual Report is available from the Capital Finance Office web site at the following address:

www.doa.state.wi.us/debf/capfin/01dis4.pdf

After publication and filing of the 2001 Annual Report, certain changes or events have occurred that affect items discussed in the 2001 Annual Report. Listed below, by reference to particular sections of the 2001 Annual Report, are changes or additions to the discussion contained in those particular sections. Many of the following changes have not been filed with the NRMSIRs. However, the State has filed, and expects to continue to file, certain informational notices with the NRMSIRs. These informational notices do not constitute listed material events under the State's Master Agreement on Continuing Disclosure.

Master Lease Certificates of Participation; Introduction (Part IV-Page 115). Update with the following:

On March 4, 2002, Moody's Investors Service, Inc. revised the rating outlook on the State's master lease certificates of participation from "stable" to "negative". On May 27, 2002, Standard and Poor's Ratings Services downgraded the rating on the State's outstanding certificates of participation from "AA-" to "A+".

Outstanding Master Lease Schedules; Table IV-2, Pages 121-128. Update with the following. Please note that the Maturity Dates listed in the following table may be later than the last maturity date of the series of master lease certificates of participation that funded the respective Lease Schedule. This reflects an expectation that a balloon payment on the final maturity date of the certificates will be funded at a later time with additional series of master lease certificates of participation.

**OUTSTANDING MASTER LEASE SCHEDULES
(As of December 1, 2002)**

Schedule Number	Origination Date	Maturity Date	Lease Item	Financed Amount	Principal Balance
96-026	04/19/1996	3/1/2003	Textile Cutting Machine/CADD	\$ 49,600.00	\$ 4,266.63
96-040	06/04/1996	3/1/2003	Dairy Processing Equipment	74,700.00	6,554.97
96-043	06/14/1996	3/1/2003	Textile Cutting Machine/CADD	31,245.00	2,738.80
96-049	06/27/1996	3/1/2003	Textile Cutting Machine/CADD	97,715.00	8,603.76
96-052	07/29/1996	3/1/2003	Sewing Machines (Private Industry Initiative)	112,621.50	9,872.57
96-061	08/15/1996	3/1/2003	Infrastructure for DOT Mobile Data Terminal Project	531,916.34	47,408.89
96-065	09/03/1996	3/1/2003	Textile Cutting Machine/CADD	17,688.00	1,568.69
96-071	10/01/1996	3/1/2003	Textile Cutting Machine/CADD	5,657.00	501.71
96-075	10/01/1996	9/1/2003	Infrastructure for DOT Mobile Data Terminal Project	163,543.44	26,617.02
96-082	11/01/1996	3/1/2003	Infrastructure for DOT Mobile Data Terminal Project	499,255.33	46,667.01
96-093	12/23/1996	9/1/2003	Infrastructure for DOT Mobile Data Terminal Project	20,974.47	2,256.32
96-094	12/23/1996	9/1/2003	1/2 Filler/Sealer Machine	94,000.00	15,916.25
97-008	01/28/1997	9/1/2003	Infrastructure for DOT Mobile Data Terminal Project	442,274.97	75,912.32
97-016	02/19/1997	9/1/2003	Infrastructure for DOT Mobile Data Terminal Project	74,258.75	12,834.56
97-023	03/13/1997	9/1/2003	Infrastructure for DOT Mobile Data Terminal Project	208,874.27	36,417.71
97-029	03/27/1997	3/1/2004	Fire Engine	63,853.13	15,582.96
97-032	04/16/1997	3/1/2004	Infrastructure for DOT Mobile Data Terminal Project	155,614.00	38,216.25
97-037	04/25/1997	3/1/2004	Fire Engine	85,143.87	20,966.16
97-040	04/25/1997	3/1/2004	Infrastructure for DOT Mobile Data Terminal Project	274,825.00	67,673.96
97-043	05/16/1997	3/1/2004	Xylox Seating System-Kohl Center	100,000.00	24,795.42
97-062	07/10/1997	3/1/2004	Fire Engine	100,924.72	25,489.56
97-066	06/30/1997	3/1/2004	Xylox Seating System-Kohl Center	250,000.00	62,926.30
97-070	07/10/1997	3/1/2004	Xylox Seating System-Kohl Center	733,000.00	185,126.55
97-071	07/10/1997	3/1/2004	Infrastructure for DOT Mobile Data Terminal Project	57,222.11	14,452.03
97-089	09/03/1997	3/1/2004	Infrastructure for DOT Mobile Data Terminal Project	62,488.00	16,088.73
97-092	09/16/1997	9/1/2003	Dump-Truck	67,598.00	12,631.54
97-117	12/22/1997	9/1/2004	Wood Laminating System	127,251.75	42,054.46
97-118	12/22/1997	3/1/2004	Infrastructure for DOT Mobile Data Terminal Project	150,478.94	40,301.22
98-004	01/09/1998	9/1/2004	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	234,945.25	78,078.46
98-010	01/30/1998	3/1/2003	Systems Furniture-Milwaukee County	345,781.39	37,474.35
98-013	02/06/1998	9/1/2004	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	130,427.90	43,769.00
98-017	02/27/1998	9/1/2004	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	112,326.27	37,980.35
98-020	03/10/1998	3/1/2003	Xylox Seating System-Kohl Center	307,000.00	84,736.97
98-027	03/16/1998	3/1/2003	Infrastructure for DOT Mobile Data Terminal Project	137,445.14	38,022.61
98-034	04/01/1998	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	39,213.73	15,556.15
98-041	04/17/1998	3/1/2003	Systems Furniture (Milwaukee County)	525,255.80	59,045.27
98-042	04/17/1998	3/1/2003	WPDES Permit Streamlining	66,914.00	6,325.31
98-047	05/05/1998	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	150,044.76	60,186.70
98-056	06/02/1998	3/1/2004	Infrastructure for DOT Mobile Data Terminal Project	205,006.18	58,452.59
98-057	06/02/1998	3/1/2003	WPDES Permit Streamlining	58,827.75	6,764.28
98-059	06/02/1998	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	104,670.51	42,368.39
98-069	06/23/1998	3/1/2003	Systems Furniture - Milwaukee County	30,264.24	3,517.87
98-071	06/23/1998	3/1/2003	WPDES Permit Streamlining	58,000.75	6,741.88
98-075	06/23/1998	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	32,719.82	13,339.76
98-086	07/30/1998	3/1/2003	WPDES Permit Streamlining	60,192.00	7,134.50
98-088	07/30/1998	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	104,994.79	43,359.62
98-089	07/30/1998	9/1/2002	Systems Furniture- Hill Farms State Office Building FLR 9	177,146.35	7,030.76
98-096	08/19/1998	9/1/2003	WPDES Permit Streamlining	49,982.00	10,789.27
98-099	08/19/1998	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	113,400.61	47,158.99

OUTSTANDING MASTER LEASE SCHEDULES—Continued
(As of December 1, 2002)

Schedule Number	Origination Date	Maturity Date	Lease Item	Financed Amount	Principal Balance
98-107	10/08/1998	3/1/2003	System Furniture	33,966.17	4,176.61
98-108	10/08/1998	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	158,790.81	67,161.58
98-110	10/08/1998	9/1/2003	WPDES Permit Streamlining	54,985.00	12,146.96
98-119	11/06/1998	3/1/2005	DMV Database Redesign	148,639.11	63,494.91
98-120	11/06/1998	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	49,980.37	21,350.36
98-124	11/06/1998	9/1/2003	WPDES Permit Streamlining	39,607.00	8,869.89
98-128	11/06/1998	9/1/2004	Voting Systems	200,000.00	74,236.13
98-130	11/20/1998	9/1/2004	IT Migration-Infrastructure Components	627,192.01	234,099.47
98-133	11/20/1998	3/1/2005	DMV Database Redesign	97,192.09	41,727.66
98-134	11/20/1998	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	58,342.81	25,048.45
98-136	12/14/1998	9/1/2005	BadgerNet - 45% Phase 1 (Equipment/Service)	7,519,106.05	2,007,341.96
98-139	12/14/1998	9/1/2004	IT-Migration Cable/Fiber	1,132,715.74	426,892.86
98-142	12/23/1998	9/1/2004	IT Migration - Cable/Fiber and Vote System	123,900.00	46,866.57
99-001	01/22/1999	3/1/2003	DSU/CSU Connect BadgerNet	618,262.50	83,135.06
99-007	01/22/1999	9/1/2005	DMV Database Redesign	213,044.47	45,540.31
99-008	01/22/1999	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	145,267.67	65,866.82
99-010	01/22/1999	9/1/2004	IT Migration-Network Infrastruc./Laptops	150,348.00	63,439.78
99-011	02/18/1999	9/1/2005	BadgerNet - Phase 1/2 (Equipment/Service)	9,212,723.40	4,722,658.04
99-014	02/25/1999	9/1/2004	IT Migration-Network Infrastructure	207,957.00	72,618.45
99-016	02/25/1999	9/1/2003	WPDES Permit Streamlining	36,983.50	6,516.77
99-017	02/25/1999	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	30,021.32	13,787.78
99-018	02/25/1999	9/1/2005	DMV Database Redesign	119,014.90	60,558.14
99-021	03/12/1999	3/1/2003	CSU/DSU Connect BadgerNet	370,957.50	51,461.80
99-022	03/12/1999	9/1/2004	IT Migration-Network Fiber/Cable	159,214.47	64,289.93
99-025	03/26/1999	9/1/2004	IT Migration-Laptops/Network	746,228.25	195,852.38
99-026	03/26/1999	9/1/2005	DMV Database Redesign	103,317.05	53,203.36
99-027	03/26/1999	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	324,463.39	150,977.86
99-032	03/26/1999	9/1/2003	WPDES Permit Streamlining	34,400.50	8,560.68
99-034	04/20/1999	9/1/2004	IT-Migration/Infrastructure	273,586.27	89,342.44
99-048	05/13/1999	9/1/2005	DMV Database Redesign	149,827.64	78,553.02
99-049	05/13/1999	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	188,141.35	89,288.82
99-051	05/13/1999	3/1/2002	WPDES Permit Streamlining	73,342.00	18,759.16
99-053	05/13/1999	3/1/2006	vhf Trunking Infrastructure	311,250.00	12,192.19
99-054	05/13/1999	3/1/2006	vhf Trunking Infrastructure	311,250.00	25,271.43
99-056	05/25/1999	3/1/2004	Truck for College of Life and Ag Science	17,032.00	5,894.54
99-058	05/25/1999	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	148,513.79	70,836.98
99-059	05/25/1999	9/1/2005	DMV Database Redesign	92,165.37	48,542.28
99-060	08/12/1999	9/1/2005	BadgerNet Phase 1/2	2,225,241.00	949,135.01
99-064	06/04/1999	9/1/2004	IT Migration/Infrastructure	27,536.68	11,551.49
99-067	06/21/1999	3/1/2004	Trucks for CALS/Research Stations	39,128.00	13,103.38
99-068	06/21/1999	3/1/2003	IT Infrastructure for Learning Innovations	120,463.65	17,872.16
99-071	06/21/1999	9/1/2003	WPDES Permit Streamlining	48,026.50	12,568.20
99-078	07/02/1999	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	148,737.41	72,112.47
99-079	07/02/1999	9/1/2005	DMV Database Redesign	134,498.65	71,900.50
99-082	07/20/1999	3/1/2004	Trucks	33,138.00	11,279.93
99-083	07/20/1999	3/1/2003	Tractor	21,708.00	2,935.62
99-084	07/20/1999	3/1/2004	Front-End Loader/Bucket	50,000.00	17,831.80
99-089	08/12/1999	3/1/2004	Trucks	100,043.00	25,904.88
99-090	08/12/1999	9/1/2002	Ethernet Network Training	16,719.50	738.80
99-093	08/12/1999	9/1/2005	DMV Database Redesign	90,222.71	49,029.97
99-094	08/12/1999	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	101,451.25	50,084.37
99-096	08/12/1999	9/1/2003	WPDES Permit Streamlining	54,102.25	14,627.06
99-097	08/12/1999	9/1/2003	Upgrades to TIME System	115,674.08	31,273.57
99-101	09/02/1999	9/1/2005	DMV Database Redesign	69,970.84	38,312.80
99-102	09/02/1999	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	23,425.32	11,661.79
99-106	09/02/1999	9/1/2003	Upgrades to TIME System	115,674.08	31,652.24
99-108	09/02/1999	3/1/2003	CSU/DSU-BadgerNet Connections	164,870.00	25,546.84
99-111	09/20/1999	9/1/2005	BadgerNet-Aurora	407,992.00	228,745.50
99-113	09/20/1999	3/1/2006	vhF Trunking Project	792,578.64	470,386.23
99-114	09/20/1999	3/1/2006	vhF Trunking Project	792,578.63	470,386.22
99-116	09/20/1999	3/1/2005	Year 2000 Upgrades-Driver/Motor Vehicle Dbase System	107,130.70	53,744.51
99-117	09/20/1999	9/1/2005	DMV Database Redesign	53,228.36	29,348.48

OUTSTANDING MASTER LEASE SCHEDULES—Continued
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Schedule Number	Origination Date	Maturity Date	Lease Item	Financed Amount	Principal Balance
99-139	11/19/1999	9/1/2003	WPDES Permit Streamlining	12,320.00	3,540.26
99-140	11/19/1999	9/1/2004	Truck-Badger State Industry	63,800.00	29,030.52
99-141	12/13/1999	3/1/2006	vhF Trunking Pilot	141,171.36	23,963.35
99-142	12/13/1999	3/1/2006	vhF Trunking Pilot	141,171.37	23,963.35
00-001	01/18/2000	3/1/2004	Trucks	41,345.00	16,308.95
00-002	01/18/2000	9/1/2004	Systems Furniture-Learning Innovations	244,494.44	114,705.48
00-007	02/07/2000	3/1/2003	Call Management System-Delinquent Taxes	103,360.49	18,190.38
00-009	02/07/2000	9/1/2005	BadgerNet Phases 3&4	11,809,001.00	5,866,329.77
00-010	02/07/2000	9/1/2006	CADD -Computer Aid Dispatch System	478,610.00	117,044.04
00-018	03/21/2000	3/1/2003	PCs	57,188.44	6,787.07
00-019	03/21/2000	3/1/2004	Info Tech Infrastructure for LAB Move	26,975.96	11,046.97
00-020	03/21/2000	3/1/2005	Statewide Child Welfare System	530,375.54	288,912.90
00-025	04/13/2000	3/1/2003	Wisconsin Waters Initiative - IT Software	123,671.82	22,991.10
00-030	04/13/2000	3/1/2005	Statewide Child Welfare System (WISACWIS)	167,811.20	92,340.55
00-031	04/28/2000	3/1/2015	WEI 3 Energy Performance Contract; Charter Street Phase 1	569,400.00	534,241.14
00-032	04/28/2000	3/1/2015	WEI 3 Energy Performance Contract; Charter Street Phase 2	1,450,000.00	1,360,466.57
00-034	04/28/2000	3/1/2003	Upgrade/Expand Call Management System	96,130.17	18,105.12
00-035	04/28/2000	3/1/2004	Info Tech Infrastructure for LAB Move	113,720.04	47,630.14
00-036	04/28/2000	3/1/2005	Development of State Human Resources System (SHRS)	82,615.00	45,785.33
00-037	04/28/2000	3/1/2005	TAXABLE Development of SHRS	82,185.00	46,488.50
00-038	04/28/2000	9/1/2003	Upgrade to TIME System - Final Pay	154,232.09	49,471.92
00-042	05/18/2000	3/1/2005	Development of State Human Resources System (SHRS)	29,870.00	16,715.52
00-043	05/18/2000	9/1/2003	Wet Ground Suppression Vehicles	196,000.00	51,319.80
00-044	05/18/2000	3/1/2003	IT Equipment-Department-Wide Use	88,185.50	16,907.20
00-045	05/18/2000	3/1/2015	WEI 3 Energy Performance Contract; Biotron Facility	74,600.00	69,984.84
00-046	05/26/2000	3/1/2005	Statewide Child Welfare System (WISACWIS)	67,054.60	37,667.69
00-047	05/26/2000	3/1/2003	Info Tech Equipment/Develop Graphic Applications	54,308.00	10,486.57
00-048	05/26/2000	3/1/2003	PCs	419,000.20	9,554.11
00-049	05/26/2000	3/1/2004	Golf Course Maintenance Equipment	71,489.00	30,477.60
00-050	05/26/2000	3/1/2007	Digital Microwave Communication Infrastruc. Equipment	1,343,109.85	861,904.35
00-052	05/26/2000	3/1/2003	Wisc. Waters Initiative; GPS Units	52,329.10	7,729.39
00-054	06/20/2000	9/1/2004	Systems Furniture	151,819.10	77,222.25
00-055	06/20/2000	3/1/2003	PCs/Scanning Unit	136,649.78	25,833.15
00-058	06/20/2000	3/1/2003	Tractor - Hancock Ag Research	31,698.00	6,254.81
00-059	06/20/2000	3/1/2003	PCs/Hardware/Software	156,716.25	30,924.02
00-060	06/20/2000	3/1/2005	Development of State Human Resources System (SHRS)	32,972.50	18,735.34
00-062	06/30/2000	3/1/2004	IT LAN Infrastructure-Revenue Building Phase 2	295,204.85	76,336.20
00-063	06/30/2000	9/1/2004	Systems Furniture	167,421.33	85,641.97
00-064	06/30/2000	3/1/2003	PCs/LAN Ethernet	165,162.64	32,897.26
00-065	06/30/2000	3/1/2005	Statewide Child Welfare System (WISACWIS)	282,514.40	161,325.84
00-066	06/30/2000	3/1/2003	IT Infrastructure Hardware/Software	285,486.27	36,945.35
00-067	06/30/2000	3/1/2003	Info Tech Equipment/Develop Graphic Applications	37,084.20	7,386.48
00-068	06/30/2000	3/1/2015	WEI 3 Energy Performance Contract	32,594.00	29,588.74
00-069	07/19/2000	3/1/2005	Statewide Child Welfare System (WISACWIS)	77,056.00	44,419.46
00-070	07/19/2000	3/1/2005	Development of State Human Resources System (SHRS)	24,432.50	14,084.28
00-071	07/19/2000	3/1/2004	Info Tech Infrastructure-22 E Mifflin (LAB)	36,450.00	16,081.92
00-072	07/19/2000	3/1/2003	Personal Computers - Academic Computing	62,260.00	12,626.80
00-073	07/19/2000	3/1/2015	WEI 3 Energy Performance Contract; Charter Street Phase 1	624,000.00	584,585.16
00-074	07/19/2000	3/1/2015	WEI 3 Energy Performance Contract; Charter Street Phase 2	1,800,000.00	1,686,303.34
00-075	07/19/2000	3/1/2003	Wisc. Water Initiative; Digital Cameras	18,840.00	3,820.89
00-076	08/07/2000	9/1/2005	BadgerNet-VOTS Phase 4	53,661.00	34,988.89
00-078	08/07/2000	3/1/2004	Systems Furniture-Hill Farms State Office Bldg. FLR7	50,055.45	22,831.92
00-079	08/07/2000	9/1/2005	Statewide Child Welfare System (WISACWIS)	261,316.80	167,002.09
00-081	08/07/2000	9/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 2	501,520.00	468,577.39
00-082	08/07/2000	3/1/2003	IT Equipment-Department Wide Use	83,517.00	17,738.57
00-083	08/25/2000	9/1/2005	BadgerNet- Deforest Phase 4	114,352.00	74,312.34
00-084	08/25/2000	3/1/2004	Systems Furniture	61,298.58	27,866.82
00-085	08/25/2000	9/1/2004	Learn Innovations-Video Conference Equipment	72,418.63	38,428.71
00-086	08/25/2000	3/1/2015	WEI 3 Energy Performance Contract	102,562.00	93,770.43
00-087	08/25/2000	9/1/2005	Heidelberg 4-Color Press	300,000.00	191,082.81
00-089	08/25/2000	3/1/2003	SWEEP Anti-Virus Software	70,000.00	14,817.92
00-090	08/25/2000	9/1/2003	PCs	434,326.80	153,450.75

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Schedule Number	Origination Date	Maturity Date	Lease Item	Financed Amount	Principal Balance
00-100	09/29/2000	9/1/2007	Vapor Testing	249,889.00	160,623.57
00-101	09/29/2000	3/1/2003	Systems Furniture-22 E. Mifflin	194,000.00	41,921.90
00-102	09/29/2000	9/1/2005	Statewide Child Welfare System (WISACWIS)	363,733.60	230,416.29
00-105	09/29/2000	3/1/2005	Auto Hematology System	110,000.00	64,080.42
00-106	10/16/2000	9/1/2004	New Building IT Infrastructure/UPS	1,466,827.00	570,412.58
00-107	10/16/2000	9/1/2007	Mass Spectrometer	298,450.00	188,619.19
00-108	10/16/2000	9/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 3	413,798.00	378,083.09
00-109	10/16/2000	9/1/2004	Video Conf. Equipment - Learning Innovations	20,079.00	10,792.83
00-110	10/16/2000	9/1/2003	Server for OATS	60,000.00	21,787.87
00-111	10/16/2000	9/1/2003	Network Infrastructure Equipment	201,873.83	73,306.69
00-113	11/22/2000	9/1/2005	BadgerNet Phase 5	2,662,847.00	667,047.34
00-115	11/02/2000	9/1/2003	IT Servers	123,255.00	45,351.54
00-116	11/02/2000	9/1/2005	Heidelberg Press	302,900.00	195,209.81
00-117	11/02/2000	9/1/2003	Orchard Sprayer - Peninsula Ag Research Station	11,802.00	4,342.52
00-118	11/02/2000	9/1/2003	Configuration/Install Server OATS	22,900.00	8,426.03
00-119	11/02/2000	9/1/2005	Statewide Child Welfare System (WISACWIS)	260,684.00	168,399.34
00-120	11/02/2000	9/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 2	276,714.00	253,156.85
00-121	11/02/2000	9/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 3	292,169.21	267,300.44
00-125	11/22/2000	9/1/2005	Statewide Child Welfare System (WISACWIS)	164,251.20	107,108.35
00-126	11/22/2000	9/1/2003	PC Replacement	217,130.58	81,294.29
00-127	11/22/2000	3/1/2005	University Information System	42,473.95	25,770.31
00-128	11/22/2000	9/1/2015	WEI-3 Energy Performance Contract; Winnebago	364,307.50	333,932.96
00-129	11/22/2000	3/1/2015	WEI-3 Energy Performance Contract; Madison Biotron	131,710.25	121,638.73
00-130	11/22/2000	3/1/2015	WEI 3 Energy Performance Contract; Charter Street Phase 1	450,000.00	415,589.75
00-131	11/22/2000	3/1/2015	WEI 3 Energy Performance Contract; Charter Street Phase 2	1,200,000.00	1,108,239.36
00-132	11/22/2000	9/1/2015	WEI-3 Energy Performance Contract; Waukesha County	78,880.00	72,303.30
00-133	12/18/2000	9/1/2005	Mail Inserter - Printing Services	824,025.00	506,874.85
00-135	12/18/2000	9/1/2015	WEI-3 Energy Performance Contract	182,598.00	167,719.35
00-136	12/18/2000	9/1/2005	Statewide Child Welfare System (WISACWIS)	1,854,340.34	1,223,734.86
00-137	12/18/2000	3/1/2005	Wis. Water Initiative-Web Development	22,326.00	13,732.27
00-138	12/18/2000	3/1/2005	Wis. Water Initiative - Data System Develop.	138,000.00	28,883.73
00-139	12/18/2000	9/1/2003	Various IT Servers	212,049.82	81,203.76
00-140	12/18/2000	9/1/2003	Storage Saver Solution System	313,477.52	119,396.52
00-141	12/18/2000	9/1/2004	Infrastructure and Wiring - 1 East Main	97,738.75	53,556.93
00-142	12/18/2000	9/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 3	516,614.64	474,519.21
00-144	12/18/2000	9/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 2	391,860.00	359,929.97
00-145	12/18/2000	3/1/2005	University Info System	258,085.26	158,743.01
00-146	12/29/2000	9/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 2	351,434.00	323,095.80
00-147	12/29/2000	9/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 3	216,443.15	198,990.06
00-148	12/29/2000	9/1/2015	WEI 3 Energy Performance Contract	79,455.00	73,048.09
00-149	12/29/2000	9/1/2015	WEI 3 Energy Performance Contract	85,000.00	78,145.94
00-151	12/29/2000	3/1/2015	WEI 3 Energy Performance Contract; Charter Street Phase 1	452,800.00	417,634.81
00-152	12/29/2000	3/1/2015	WEI 3 Energy Performance Contract; Charter Street Phase 2	350,000.00	322,818.44
00-153	12/29/2000	9/1/2004	Truck Lift	12,300.00	6,912.34
00-154	12/29/2000	9/1/2003	Replacement PCs	416,025.14	143,812.62
00-155	12/29/2000	9/1/2004	Video Equipment - Learning Innovations	97,227.52	54,520.10
01-001	02/01/2001	9/1/2015	WEI 3 Energy Performance Contract	33,274.50	30,676.68
01-003	02/01/2001	3/1/2004	Replacement PCs	610,880.32	305,033.61
01-004	02/01/2001	9/1/2003	Systems Furniture-Milwaukee Office Bldg.	183,743.00	24,666.00
01-005	02/01/2001	3/1/2004	Data Capture System-Tax Returns	132,804.81	58,439.57
01-006	02/01/2001	9/1/2004	A/V Presentation System-Learn Innovation	19,947.00	11,334.22
01-007	02/01/2001	3/1/2016	WEI 3 Energy Performance Contract; Milwaukee Water	794,500.00	735,411.18
01-008	02/01/2001	3/1/2015	WEI 3 Energy Performance Contract	27,812.00	25,530.16
01-009	02/01/2001	9/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 3	140,829.20	129,834.34
01-010	02/01/2001	9/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 2	256,062.00	236,070.67
01-011	02/01/2001	9/1/2015	WEI 3 Energy Performance Contract	85,000.00	78,363.86
01-012	02/01/2001	3/1/2015	WEI 3 Energy Performance Contract; Charter Street Phase 1	200,000.00	183,590.96
01-013	02/01/2001	3/1/2015	WEI 3 Energy Performance Contract; Charter Street Phase 2	350,000.00	321,284.14
01-014	02/22/2001	3/1/2004	IT Network Equipment	233,584.32	119,015.54
01-015	02/22/2001	9/1/2004	Grounds Equipment	79,202.00	46,146.22
01-016	02/22/2001	3/1/2004	IT Servers-Learning Innovations	26,605.00	13,555.73
01-017	02/22/2001	3/1/2003	Bobcat Skid Loader	17,220.00	4,372.16

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Schedule Number	Origination Date	Maturity Date	Lease Item	Financed Amount	Principal Balance
01-027	03/27/2001	3/1/2005	Wisc. Water Initiative; Develop Data System	30,657.00	19,995.00
01-028	03/27/2001	3/1/2006	A/V Equipment	41,460.00	24,153.56
01-029	03/27/2001	9/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 2	256,912.00	238,533.98
01-030	03/27/2001	9/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 3	129,036.87	119,806.32
01-031	03/27/2001	3/1/2016	WEI 3 Energy Performance Contract; Milwaukee Phase 4	93,375.00	87,014.52
01-032	03/27/2001	3/1/2005	University Information System	24,946.00	16,270.18
01-033	03/27/2001	3/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 2	998,500.00	923,407.68
01-034	03/27/2001	3/1/2015	WEI 3 Energy Performance Contract; Madison Biotron	73,838.75	68,285.69
01-035	03/27/2001	3/1/2015	WEI 3 Energy Performance Contract; Charter Street Phase 1	151,040.00	139,681.01
01-036	03/27/2001	9/1/2015	WEI 3 Energy Performance Contract	92,000.00	85,418.85
01-037	04/17/2001	3/1/2014	WEI 3 Energy Performance Contract	286,000.00	262,981.18
01-038	04/17/2001	3/1/2006	Golf Course Maintenance Equipment	77,787.00	57,024.35
01-039	04/17/2001	9/1/2015	WEI 3 Energy Performance Contract	53,534.00	49,842.79
01-040	04/17/2001	3/1/2004	IT Network Upgrades	69,010.22	36,880.76
01-041	04/17/2001	9/1/2004	IT & Office Equipment- DOC Move to 3099 E Wash Avenue	116,392.95	70,596.98
01-042	04/17/2001	3/1/2008	Ice Cream Processing Equipment	99,390.00	81,506.92
01-043	05/09/2001	9/1/2013	WEI 3 Energy Performance Contract; Green Bay Correctional	14,040.00	12,888.15
01-044	05/09/2001	9/1/2004	IT & Office Equipment- DOC Move to 3099 E Wash Avenue	54,016.07	33,302.95
01-045	05/09/2001	3/1/2006	Statewide Child Welfare System (WISACWIS)	69,519.20	51,716.78
01-046	05/09/2001	3/1/2005	Wisc. Water Initiative; Develop Data System	15,600.00	11,553.47
01-047	05/09/2001	3/1/2006	A/V Equipment	64,579.00	46,849.95
01-048	05/09/2001	3/1/2015	WEI 3 Energy Performance Contract; Charter Street Phase 1	25,000.00	23,249.63
01-049	05/09/2001	3/1/2015	WEI 3 Energy Performance Contract; Charter Street Phase 2	250,000.00	232,496.44
01-050	05/09/2001	9/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 2	50,477.20	47,116.45
01-051	05/09/2001	9/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 3	24,025.89	22,426.25
01-052	05/09/2001	3/1/2016	WEI 3 Energy Performance Contract; Madison Section 1&2	484,510.00	453,799.82
01-053	05/09/2001	3/1/2014	WEI 3 Energy Performance Contract	277,000.00	255,473.96
01-054	05/30/2001	3/1/2006	Grain Truck	72,885.00	54,710.50
01-055	05/30/2001	9/1/2005	BadgerNet Phase 6	711,716.00	487,266.90
01-056	05/30/2001	3/1/2004	IT/Development Applications	43,462.00	24,195.57
01-057	05/30/2001	9/1/2013	WEI 3 Energy Performance Contract; Green Bay Correctional	20,500.00	18,907.11
01-058	05/30/2001	3/1/2010	WEI 3 Energy Performance Contract; Jackson Correctional	55,707.00	48,980.42
01-059	05/30/2001	3/1/2016	WEI 3 Energy Performance Contract; Mendota Health	153,466.00	144,305.79
01-060	05/30/2001	3/1/2006	Statewide Child Welfare System (WISACWIS)	78,639.20	59,221.41
01-061	05/30/2001	3/1/2006	Systems Furniture	142,255.44	107,129.34
01-062	05/30/2001	3/1/2004	Furnishings for Millennium Hall	124,271.30	27,429.64
01-063	05/30/2001	3/1/2005	University Information System	36,642.20	24,938.03
01-064	05/30/2001	9/1/2004	Grounds and Maintenance Equip	54,645.00	34,301.73
01-065	05/30/2001	3/1/2015	WEI 3 Energy Performance Contract; Charter Street Phase 2	88,700.00	82,837.98
01-066	05/30/2001	3/1/2015	WEI 3 Energy Performance Contract; Madison Biotron	63,011.00	58,846.72
01-067	05/30/2001	3/1/2014	WEI 3 Energy Performance Contract	235,800.00	218,463.89
01-068	05/30/2001	9/1/2004	Network/IT Cabling - 1 E Main	16,591.25	10,414.65
01-069	05/30/2001	3/1/2016	WEI 3 Energy Performance Contract; Platteville Res. Halls	319,552.00	300,478.31
01-070	06/28/2001	3/1/2004	IT Equipment/Develop Graphic Apps	26,286.28	7,687.36
01-071	06/28/2001	9/1/2013	WEI 3 Energy Performance Contract; Green Bay Correctional	20,500.00	19,004.75
01-072	06/28/2001	9/1/2004	IT & Office Equipment- DOC Move to 3099 E Wash Avenue	105,327.66	67,658.30
01-073	06/28/2001	3/1/2016	WEI 3 Energy Performance Contract; Mendota Health	13,500.00	12,746.53
01-074	06/28/2001	3/1/2004	IT Equipment-State Justice Center	398,033.00	227,786.74
01-075	06/28/2001	3/1/2004	Wisc. Water Initiative; IT and Other Equipment	295,603.98	168,257.94
01-076	06/28/2001	3/1/2004	PC Replacement Round 3 (ML18)	176,043.95	100,746.63
01-077	06/28/2001	3/1/2015	WEI 3 Energy Performance Contract; Charter Street Phase 1	45,208.00	42,409.89
01-078	06/28/2001	3/1/2015	WEI 3 Energy Performance Contract; Charter Street Phase 2	40,300.00	37,805.66
01-079	06/28/2001	3/1/2014	WEI 3 Energy Performance Contract	240,550.00	224,181.28
01-080	06/28/2001	9/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 2	36,145.20	34,021.92
01-081	06/28/2001	3/1/2016	WEI 3 Energy Performance Contract; Platteville Res. Halls	442,300.00	417,614.10
01-082	06/28/2001	9/1/2003	Gas Chromatograph	35,880.00	16,857.38
01-083	07/18/2001	3/1/2006	Statewide Child Welfare System (WISACWIS)	69,519.20	53,790.08
01-084	07/18/2001	3/1/2006	State Roll-Out Statewide Child Welfare System (WISACWIS)	1,726,968.00	1,336,189.99
01-085	07/18/2001	3/1/2004	IT Equipment - State Justice Center	178,676.72	104,433.34
01-086	07/18/2001	3/1/2004	IT Equipment - Department-wide Apps	104,254.97	60,745.23
01-087	07/18/2001	3/1/2005	Suburban	31,167.00	13,746.41
01-088	08/02/2001	3/1/2004	IT Develop Graphics Apps	25,378.00	15,094.15

OUTSTANDING MASTER LEASE SCHEDULES—Continued
(As of December 1, 2002)

Schedule Number	Origination Date	Maturity Date	Lease Item	Financed Amount	Principal Balance
01-096	08/31/2001	3/1/2006	Turnstiles	36,470.00	28,925.88
01-097	08/31/2001	9/1/2004	Trolley Trailers	49,580.00	33,657.04
01-098	08/31/2001	9/1/2004	Various Equipment/Dbase Development	70,470.96	47,838.71
01-099	08/31/2001	9/1/2004	IT Equipment for State Justice Center	83,008.00	56,349.40
01-100	08/31/2001	9/1/2006	Statewide Child Welfare System (WISACWIS)	218,624.20	178,429.06
01-101	08/31/2001	9/1/2006	State Roll-Out Statewide Child Welfare System (WISACWIS)	1,640,618.00	1,338,982.26
01-102	08/31/2001	3/1/2004	IT Develop Graphic Applications	2,575.17	1,574.77
01-104	08/31/2001	9/1/2013	WEI 3 Energy Performance Contract; Green Bay Correctional	7,490.00	7,035.32
01-105	08/31/2001	3/1/2014	WEI 3 Energy Performance Contract	107,950.00	101,775.74
01-106	08/31/2001	3/1/2016	WEI 3 Energy Performance Contract; Mendota Health	28,700.00	27,390.90
01-107	08/31/2001	3/1/2016	WEI 3 Energy Performance Contract; Platteville Res. Halls	278,000.00	265,319.51
01-108	08/31/2001	9/1/2008	Office/Systems Furniture-State Justice Center	130,885.20	114,707.21
01-109	09/28/2001	9/1/2004	IT & Office Equipment- DOC Move to 3099 E Wash Avenue	34,863.11	24,231.62
01-110	09/28/2001	3/1/2016	WEI 3 Energy Performance Contract; Madison Section 1&2	435,980.00	417,464.49
01-111	09/28/2001	9/1/2004	Automated Document Factory	659,080.00	458,093.97
01-112	09/28/2001	9/1/2004	Wisc. Water Initiative; GPS Units	39,672.25	27,574.22
01-113	09/28/2001	9/1/2006	State Roll-Out Statewide Child Welfare System (WISACWIS)	1,079,353.00	892,627.03
01-114	09/28/2001	9/1/2004	IT Equipment - State Justice Center	252,782.06	175,696.32
01-115	09/28/2001	3/1/2006	Systems Furniture-Phase 2	30,520.59	24,571.37
01-116	09/28/2001	3/1/2005	Vehicles	24,423.00	18,130.79
01-117	09/28/2001	9/1/2015	WEI 3 Energy Performance Contract	20,965.00	20,023.96
01-118	09/28/2001	9/1/2004	PCs for Student Academic Lab	94,950.00	65,995.06
01-119	09/28/2001	9/1/2008	Development of Integrated Corrections System	262,533.25	232,122.34
01-120	09/28/2001	3/1/2016	WEI 3 Energy Performance Contract; Milwaukee Phase 2	45,000.00	43,088.91
01-121	09/28/2001	3/1/2014	WEI 3 Energy Performance Contract	67,000.00	63,427.03
01-122	09/28/2001	3/1/2016	WEI 3 Energy Performance Contract	62,800.00	60,132.97
01-123	09/28/2001	3/1/2015	WEI 3 Energy Performance Contract; Charter Street Phase 2	26,650.00	25,384.46
01-124	09/28/2001	3/1/2004	IT Equipment	9,264.00	5,830.85
01-125	09/28/2001	9/1/2016	WEI 3 Energy Performance Contract	666,242.00	642,850.11
01-126	10/24/2001	3/1/2004	IT Equipment/Graphic Apps	1,300.00	841.29
01-127	10/24/2001	9/1/2008	Systems Furniture-State Justice Center	395,554.99	352,664.55
01-128	10/24/2001	3/1/2008	Ice Cream Equipment	198,780.00	175,167.16
01-129	10/24/2001	9/1/2008	Development of Integrated Corrections System	317,181.00	282,788.73
01-130	10/24/2001	9/1/2006	State Roll-Out Statewide Child Welfare System (WISACWIS)	1,542,845.00	1,292,042.29
01-131	10/24/2001	9/1/2004	IT Equipment - State Justice Center	12,176.00	8,656.61
01-132	10/24/2001	9/1/2004	Truck	24,927.00	17,722.04
01-133	11/21/2001	9/1/2016	WEI 3 Energy Performance Contract	487,245.20	472,977.69
01-134	11/21/2001	9/1/2008	Development of Integrated Corrections System	184,092.00	165,583.94
01-135	11/21/2001	9/1/2006	State Roll-Out Statewide Child Welfare System (WISACWIS)	566,525.00	480,791.15
01-136	11/21/2001	3/1/2006	Statewide Child Welfare System (WISACWIS)	1,870,773.26	1,550,894.20
01-137	11/21/2001	9/1/2004	Wisc. Water Initiative; Dbase Development	58,611.72	42,694.30
01-138	11/21/2001	3/1/2016	WEI 3 Energy Performance Contract; Platteville Res. Halls	334,050.00	321,898.64
01-139	11/21/2001	9/1/2004	Virtual Tape Hardware	639,520.00	465,843.03
01-140	11/21/2001	9/1/2008	System Furniture - State Justice Center	1,034,582.09	930,568.30
01-141	11/21/2001	3/1/2004	Systems Furniture - FLR 7	6,916.00	4,611.91
01-142	12/28/2001	9/1/2003	IBM Mainframe Computer	1,949,000.00	976,361.81
01-143	12/28/2001	9/1/2004	Automated Doc Factor	329,454.00	248,440.25
01-144	12/28/2001	9/1/2006	State Roll-Out Statewide Child Welfare System (WISACWIS)	486,784.00	420,935.06
01-145	12/28/2001	9/1/2004	IT Equipment - New State Justice Center	90,287.69	68,085.67
01-146	12/28/2001	9/1/2006	Portable X-Ray Machine	171,360.00	148,179.55
01-147	12/28/2001	3/1/2016	WEI 3 Energy Performance Contract	51,210.00	49,570.80
01-148	12/28/2001	9/1/2013	WEI 3 Energy Performance Contract; Green Bay Correctional	7,670.00	7,340.40
01-149	12/28/2001	9/1/2008	Systems and Office Furniture - State Justice	313,696.34	285,662.44
01-150	12/28/2001	9/1/2008	Development of Integrated Corrections System	285,495.00	259,981.35
01-151	12/28/2001	3/1/2015	WEI 3 Energy Performance Contract; Madison Biotron	23,675.00	22,825.20
01-152	12/28/2001	3/1/2016	WEI 3 Energy Performance Contract; Madison Section 1&2	587,298.00	568,498.90
02-001	01/23/2002	9/1/2006	Statewide Child Welfare System (WISACWIS)	1,036,179.00	925,999.08
02-002	01/31/2002	9/1/2005	Badgernet Phase 7	5,202,042.12	3,981,785.43
02-003	01/31/2002	9/1/2008	Systems Furniture - State Justice Center	1,015,155.28	918,710.47
02-004	01/31/2002	9/1/2008	Development of Integrated Corrections System	102,466.00	92,731.22
02-005	01/31/2002	9/1/2016	WEI 3 Energy Performance Contract; Southern Wisc. Center	1,022,343.35	974,529.57
02-006	01/31/2002	9/1/2004	IT Equipment - State Justice Center	10,738.76	8,220.42

OUTSTANDING MASTER LEASE SCHEDULES—Continued
(As of December 1, 2002)

Schedule Number	Origination Date	Maturity Date	Lease Item	Financed Amount	Principal Balance
02-014	01/31/2002	3/1/2016	WEI 3 Energy Performance Contract; Milwaukee Phase 4	81,075.00	77,172.80
02-015	01/31/2002	3/1/2016	WEI 3 Energy Performance Contract; Madison Section 1&2	227,500.00	216,550.27
02-016	02/21/2002	3/1/2005	IT Equipment	19,361.25	15,865.36
02-017	02/21/2002	9/1/2008	Development of Integrated Corrections System	79,444.26	72,613.87
02-018	02/21/2002	9/1/2005	Wisc. Water Initiative-Equipment	70,875.00	59,854.99
02-019	02/21/2002	3/1/2015	WEI 3 Energy Performance Contract; Charter Phase 1	17,552.00	16,744.87
02-020	02/21/2002	9/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 2	21,655.60	20,691.01
02-022	02/21/2002	3/1/2005	Storage Area Network Storage	380,630.26	311,903.44
02-023	02/21/2002	9/1/2008	Systems Furniture	42,675.87	39,006.73
02-024	02/21/2002	9/1/2006	Statewide Child Welfare System (WISACWIS)	1,155,179.00	1,014,239.99
02-025	02/21/2002	3/1/2016	WEI 3 Energy Performance Contract; Madison Section 1&2	100,000.00	95,679.18
02-026	02/21/2002	9/1/2008	DMV DataBase Redesign	170,054.57	155,433.78
02-027	02/21/2002	3/1/2014	WEI 3 Energy Performance Contract	50,250.00	47,775.21
02-028	02/21/2002	9/1/2016	WEI 3 Energy Performance Contract	196,496.80	188,249.55
02-029	02/21/2002	9/1/2015	WEI 3 Energy Performance Contract; Milwaukee Phase 3	10,083.54	9,634.40
02-030	03/14/2002	9/1/2008	DMV DataBase Redesign	207,488.78	191,763.65
02-031	03/14/2002	9/1/2008	Development of Integrated Corrections System	83,557.50	67,965.60
02-032	03/14/2002	9/1/2008	Digital Microwave Communication Equipment Phase 2	604,442.34	558,632.99
02-033	03/14/2002	3/1/2007	State Roll-Out Statewide Child Welfare System (WISACWIS)	304,117.00	271,204.97
02-034	03/14/2002	3/1/2005	Datalines for Two Sites	174,132.00	145,635.95
02-035	04/26/2002	3/1/2006	Statewide Child Welfare System (WISACWIS)	112,734.00	102,247.79
02-036	04/26/2002	3/1/2007	State Roll-Out Statewide Child Welfare System (WISACWIS)	108,698.00	100,634.12
02-037	04/26/2002	9/1/2008	Systems Furniture/Equipment - 17 E Main	15,590.77	14,700.12
02-038	04/26/2002	3/1/2010	WEI 3 Energy Performance Contract	12,479.00	11,896.84
02-039	04/26/2002	9/1/2008	DMV DataBase Redesign	240,115.12	226,397.98
02-040	04/26/2002	3/1/2007	Tractor For Ag Research Station	62,730.00	58,076.32
02-041	04/26/2002	9/1/2005	Wisc. Water Initiative; Equipment	58,753.22	41,905.26
02-042	04/26/2002	9/1/2008	Digital Microwave Communication Equipment Phase 2	498,075.51	351,586.57
02-043	04/26/2002	3/1/2016	WEI 3 Energy Performance Contract; Madison Section 1&2	225,000.00	218,746.63
02-044	04/26/2002	9/1/2016	WEI 3 Energy Performance Contract	429,034.20	417,468.73
02-048	04/26/2002	3/1/2016	WEI 3 Energy Performance Contract	85,858.00	83,471.77
02-049	04/26/2002	9/1/2008	Development of Integrated Corrections System	207,102.74	195,271.51
02-050	04/26/2002	3/1/2017	WEI 3 Energy Performance Contract; Madison Section 3	1,307,850.00	1,275,107.38
02-051	04/26/2002	3/1/2017	WEI 3 Energy Performance Contract; Madison Health	825,640.24	804,969.96
02-052	05/24/2002	3/1/2017	WEI 3 Energy Performance Contract	250,000.00	245,275.97
02-053	05/24/2002	9/1/2008	DMV DataBase Redesign	295,555.37	282,481.39
02-055	05/24/2002	9/1/2016	WEI 3 Energy Performance Contract	142,872.90	139,959.26
02-056	05/24/2002	3/1/2016	WEI 3 Energy Performance Contract	32,340.00	31,659.26
02-057	05/24/2002	9/1/2008	Development of Integrated Corrections System	32,025.50	30,608.84
02-058	05/24/2002	9/1/2008	Digital Microwave Communication Equipment Phase 2	58,101.76	55,531.61
02-059	05/31/2002	3/1/2017	WEI 3 Energy Performance Contract; Oshkosh	696,128.00	683,857.18
02-060	06/18/2002	9/1/2008	Development of Integrated Corrections System	263,980.00	255,267.97
02-061	06/18/2002	9/1/2016	WEI 3 Energy Performance Contract	127,832.05	125,943.50
02-062	06/18/2002	3/1/2017	WEI 3 Energy Performance Contract; Oshkosh	250,000.00	246,589.26
02-063	06/18/2002	3/1/2017	WEI 3 Energy Performance Contract; Madison Section 3	206,800.00	203,978.63
02-064	06/18/2002	3/1/2016	WEI 3 Energy Performance Contract; Madison Section 2	31,000.00	30,526.55
02-065	06/18/2002	9/1/2008	DMV DataBase Redesign	254,363.07	245,968.43
02-066	06/18/2002	9/1/2008	Digital Microwave Communication Equipment Phase 2	173,195.51	167,479.62
02-067	06/18/2002	9/1/2003	IT Server for Dept of Animal Services	54,893.83	18,171.29
02-068	06/18/2002	9/1/2005	BadgerNet Phase 7&8	791,905.00	241,774.49
02-069	06/18/2002	3/1/2004	IT Equipment/Migration	8,169.61	7,184.78
02-070	06/18/2002	3/1/2007	Golf Course Maintenance Equipment	103,831.00	99,312.88
02-071	06/18/2002	3/1/2016	WEI 3 Energy Performance Contract; King DVA	185,490.00	182,779.48
02-072	07/16/2002	9/1/2004	ADF Document System	500,576.00	452,045.62
02-073	07/16/2002	3/1/2005	PCs for Academic Computing	197,892.00	163,597.93
02-074	07/16/2002	3/1/2006	Truck for Agronomy	17,558.00	16,981.53
02-075	07/16/2002	3/1/2008	Ice Cream Processing	33,520.97	32,835.60
02-076	07/16/2002	3/1/2006	Hardware and Software for Initiative Tax System	813,032.47	455,582.90
02-077	07/16/2002	3/1/2007	Internet Access-Statewide Child Welfare System (WISACWIS)	306,993.80	298,942.39
02-078	07/16/2002	3/1/2005	Replace Mobile Computers	2,912,659.79	2,407,904.77
02-079	07/16/2002	9/1/2008	DMV DataBase Redesign	240,504.45	236,026.72
02-080	07/16/2002	3/1/2007	Pharmaceutical Dispense Machine	21,417.00	20,855.31

OUTSTANDING MASTER LEASE SCHEDULES—Continued
(As of December 1, 2002)

Schedule Number	Origination Date	Maturity Date	Lease Item	Financed Amount	Principal Balance
02-088	08/22/2002	3/1/2017	WEI 3 Energy Performance Contract	382,687.28	382,917.88
02-089	08/22/2002	3/1/2017	WEI 3 Energy Performance Contract; Madison Section 3	120,000.00	120,072.31
02-090	08/22/2002	9/1/2016	WEI 3 Energy Performance Contract; Madison Section 4	229,500.00	229,638.29
02-091	08/22/2002	9/1/2007	Internet Access-Statewide Child Welfare System (WISACWIS)	456,801.60	457,076.86
02-092	08/22/2002	3/1/2009	DMV DataBase Redesign	294,232.65	294,409.95
02-093	08/22/2002	9/1/2007	State Roll-Out Statewide Child Welfare System (WISACWIS)	644,028.00	644,416.08
02-094	08/22/2002	3/1/2005	Storage Capacity for Laptop Campus	297,178.07	117,248.68
02-096	08/22/2002	3/1/2007	Tractor for University Ridge Golf Course	24,500.00	24,514.76
02-097	08/22/2002	9/1/2008	Development of Initiative Corrections System	301,754.00	301,935.83
02-098	08/22/2002	9/1/2005	Various IT Hardware/Software Replacement	251,858.26	252,010.03
02-099	09/13/2002	9/1/2007	Systems Furniture - Superior	367,810.71	367,810.71
02-100	09/13/2002	9/1/2007	Grand Piano	17,000.00	17,000.00
02-101	09/13/2002	9/1/2005	Computers - Academic Computing	38,518.95	38,518.95
02-102	09/13/2002	3/1/2005	Extension of WONDER	1,153,199.00	589,312.00
02-103	09/13/2002	9/1/2008	Development of Integrated Corrections System	263,714.84	263,714.84
02-104	09/13/2002	3/1/2017	WEI 3 Energy Performance Contract	682,701.48	682,701.48
02-105	09/13/2002	9/1/2016	WEI 3 Energy Performance Contract	222,320.50	222,320.50
02-106	09/13/2002	9/1/2016	WEI 3 Energy Performance Contract	105,963.42	105,963.42
02-107	09/13/2002	3/1/2017	WEI 3 Energy Performance Contract	553,036.00	553,036.00
02-108	09/13/2002	3/1/2017	WEI 3 Energy Performance Contract; Madison Section 3	575,550.00	575,550.00
02-109	09/13/2002	9/1/2016	WEI 3 Energy Performance Contract; Madison Section 4	419,000.00	419,000.00
02-110	09/13/2002	9/1/2012	WEI 3 Energy Performance Contract; Washington County	34,200.00	34,200.00
02-111	09/13/2002	3/1/2017	WEI 3 Energy Performance Contract	96,300.00	96,300.00
02-112	09/13/2002	9/1/2017	WEI 3 Energy Performance Contract	597,251.20	597,251.20
02-113	09/13/2002	9/1/2013	WEI 3 Energy Performance Contract	75,777.00	75,777.00
02-114	09/13/2002	9/1/2007	Pumps - Hancock Station	20,486.00	16,466.24
02-115	09/13/2002	3/1/2009	DMV DataBase Redesign	281,173.53	281,173.53
02-116	10/04/2002	9/1/2007	Internet Access-Statewide Child Welfare System (WISACWIS)	292,485.20	292,485.20
02-117	10/04/2002	9/1/2007	State Roll-Out Statewide Child Welfare System (WISACWIS)	684,481.00	684,481.00
02-118	10/04/2002	9/1/2005	Wisc. Water Initiative; Dbase Development	23,729.95	23,729.95
02-119	10/04/2002	9/1/2008	Development of Integrated Corrections System	164,610.76	164,610.76
02-120	10/04/2002	9/1/2009	Record Center Shelving	314,453.00	314,453.00
02-121	10/04/2002	9/1/2005	Access Card Readers	82,865.17	57,865.17
02-122	10/04/2002	9/1/2005	Mass Spectrometer	236,989.80	236,989.80
02-123	10/24/2002	3/1/2009	DMV DataBase Redesign	359,712.77	359,712.77
02-124	10/24/2002	9/1/2008	Development of Integrated Corrections System	334,861.41	334,861.41
02-126	10/24/2002	3/1/2017	WEI 3 Energy Performance Contract	30,641.00	30,641.00
02-127	10/24/2002	9/1/2017	WEI 3 Energy Performance Contract	361,201.60	361,201.60
02-128	10/24/2002	9/1/2016	WEI 3 Energy Performance Contract; Madison Section 4	100,000.00	100,000.00
02-129	10/24/2002	3/1/2017	WEI 3 Energy Performance Contract; Madison Section 3	75,000.00	75,000.00
02-130	10/24/2002	9/1/2014	WEI 3 Energy Performance Contract	127,113.00	127,113.00
02-131	10/24/2002	9/1/2013	WEI 3 Energy Performance Contract; Fox Valley	143,756.00	143,756.00
02-132	10/24/2002	3/1/2017	WEI 3 Energy Performance Contract; Madison Section 5	1,077,876.00	1,077,876.00
02-133	10/24/2002	9/1/2007	Systems Furniture - Superior	58,030.00	58,030.00
02-134	11/01/2002	9/1/2009	Co-Generation Facility	11,936,000.00	11,936,000.00
02-135	11/19/2002	9/1/2008	Development of Integrated Corrections System	267,531.96	267,531.96
02-136	11/19/2002	9/1/2005	Digital Video Edit System	241,000.00	241,000.00
02-137	11/19/2002	9/1/2005	Scanning Equipment/PCs	191,830.50	191,830.50
02-138	11/19/2002	9/1/2007	Tractor at Spooner	56,234.63	56,234.63
02-139	11/19/2002	9/1/2005	Extension of Legacy Contract	45,264.00	45,264.00
02-140	11/19/2002	9/1/2004	IBM Mainframe Computer	1,900,000.00	1,900,000.00
02-141	11/19/2002	9/1/2005	PCs and PC Workstations	55,837.60	55,837.60
02-142	11/19/2002	9/1/2007	Internet Access-Statewide Child Welfare System (WISACWIS)	258,494.80	258,494.80
02-143	11/19/2002	3/1/2017	WEI 3 Energy Performance Contract	63,250.00	63,250.00
02-144	11/19/2002	9/1/2013	WEI 3 Energy Performance Contract	65,090.00	65,090.00
02-145	11/19/2002	9/1/2009	DMV DataBase Redesign	788,372.82	788,372.82
02-146	11/19/2002	9/1/2016	WEI 3 Energy Performance Contract; Madison Section 4	90,000.00	90,000.00
02-147	11/19/2002	3/1/2017	WEI 3 Energy Performance Contract; Madison Health	59,634.00	59,634.00
02-148	11/19/2002	3/1/2017	WEI 3 Energy Performance Contract; Madison Section 3	171,500.00	171,500.00
				\$ 177,684,208.27	\$ 122,125,452.39

APPENDIX C

EXPECTED FORM OF LEGAL OPINION

Upon delivery of the Certificates, it is expected that Foley & Lardner will deliver a legal opinion in substantially the following form:

(Letterhead of Foley & Lardner)

\$29,425,000

**Master Lease Certificates of Participation
of 2002, Series D
(State of Wisconsin)**

We have served as bond counsel in connection with the issuance of \$29,425,000 Master Lease Certificates of Participation of 2002, Series D (State of Wisconsin), dated the date of their delivery (**Certificates**) and evidencing a proportionate interest of the owners thereof in certain lease payments to be made by the State of Wisconsin (**State**), acting by and through the Department of Administration (**Department**), as lessee, under the Third Amended and Restated Master Lease (**Master Lease**), dated as of April 28, 2000, between the State, acting by and through the Department, and Firststar Bank, National Association, as successor to Firststar Bank Milwaukee, N.A., as lessor.

The Master Lease was entered into pursuant to Section 16.76, Wisconsin Statutes, as amended (**Act**). The Certificates are being issued pursuant to the Master Indenture, dated as of July 1, 1996, among the State, acting by and through the Department, Firststar Bank Milwaukee, N.A., and Firststar Trust Company, as trustee, and the Supplemental Indenture No. 2002-D, dated as of December 11, 2002, among U.S. Bank National Association, as successor to Firststar Bank Milwaukee, N.A. (**Lessor**), U.S. Bank National Association, as successor to Firststar Trust Company, as trustee (**Trustee**), and the State, acting by and through the Department (**Supplemental Indenture**).

We examined the law, a certified copy of the proceedings relating to the issuance of the Certificates, and certifications of public officials and others. As to questions of fact material to our opinion, we relied upon those certified proceedings and certifications without independently undertaking to verify them. We have also relied upon opinions of counsel for the Trustee and the Lessor.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Certificates are valid obligations of the Trustee representing a proportionate interest in the lease payments assigned under the Supplemental Indenture.
2. The State is required to make the lease payments from any source of legally available funds, subject to annual appropriation. The obligation of the State to make the lease payments does not constitute an obligation of the State for which the State is obligated to levy or pledge any tax or for which the State has levied or pledged any tax. The obligation of the State to make the lease payments does not constitute public debt of the State or any of its political subdivisions as defined under Chapter 18 of the Wisconsin Statutes.
3. Interest on the Certificates is excluded from gross income for federal income tax purposes. It also is not an item of tax preference for purposes of the federal alternative minimum tax imposed on all taxpayers. For the purpose of computing the alternative minimum tax imposed on certain corporations, however, interest on the Certificates is

taken into account in determining adjusted current earnings. This letter expresses no opinion as to the federal income tax consequences resulting from ownership of the Certificates or the receipt by owners thereof of payments on the Certificates following the termination of the Master Lease resulting from an event of nonappropriation or an event of default thereunder. The State must comply with all requirements of the Internal Revenue Code that must be satisfied after the Certificates are issued for interest on the Certificates to be, or continue to be, excluded from gross income for federal income tax purposes. The State has agreed to do so. A failure to comply may cause interest on the Certificates to be included in gross income for federal income tax purposes, in some cases retroactively to the date the Certificates were issued. This letter expresses no opinion as to other federal tax law consequences regarding the Certificates.

The rights of the owners of the Certificates and the enforceability of the Certificates may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or an equitable proceeding). This letter expresses no opinion as to the availability of any particular form of judicial relief.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement or other offering material relating to the Certificates (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (except only the matters set forth as our opinion in the Official Statement). However, in serving as bond counsel, nothing has come to our attention that would lead us to believe that the Official Statement (except for the financial statements and other financial or statistical data included therein, as to which we express no view), as of the date of delivery of the Certificates, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

This letter speaks as of its date. We assume no duty to change this letter to reflect any facts or circumstances that later come to our attention or any changes in law.

Yours very truly,

The information contained in this Notice has been furnished by MBIA for use in this Notice.

The MBIA Insurance Corporation Insurance Policy

MBIA's policy unconditionally and irrevocably guarantees the full and complete payment required to be made by or on behalf of the State to the Paying Agent or its successor of an amount equal to (1) the principal of (either at the stated maturity or by an advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Certificates as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed by MBIA's policy shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (2) the reimbursement of any such payment which is subsequently recovered from any owner of the Certificates pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law (**Preference**).

MBIA's policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Certificates. MBIA's policy does not, under any circumstance, insure against loss relating to: (1) optional or mandatory redemptions (other than mandatory sinking fund redemptions); (2) any payments to be made on an accelerated basis; (3) payments of the purchase price of Certificates upon tender by an owner thereof; or (4) any Preference relating to (1) through (3) above. MBIA's policy also does not insure against nonpayment of principal of or interest on the Certificates resulting from the insolvency, negligence, or any other act or omission of the Paying Agent or any other paying agent for the Certificates.

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by MBIA from the Paying Agent or any owner of a Insured Bond the payment of an insured amount for which is then due, that such required payment has not been made, MBIA on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A. in New York, New York, or its successor, sufficient for the payment of any such insured amounts which are then due. Upon presentment and surrender of such Certificates or presentment of such other proof of ownership of the Certificates, together with any appropriate instruments of assignment to evidence the assignment of the insured amounts due on the Certificates as are paid by MBIA, and appropriate instruments to effect the appointment of MBIA as agent for such owners of the Certificates in any legal proceeding related to payment of insured amounts on the Certificates, such instruments being in a form satisfactory to State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. shall disburse to such owners or the Paying Agent payment of the insured amounts due on such Certificates, less any amount held by the Paying Agent for the payment of such insured amounts and legally available therefor.

MBIA

MBIA is the principal operating subsidiary of MBIA Inc., a New York Stock Exchange listed company (**Company**). The Company is not obligated to pay the debts of or claims against MBIA. MBIA is domiciled in the State of New York and licensed to do business in and subject to regulation under the laws of all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands of the United States and the Territory of Guam. MBIA has three branches, one in the Republic of France, one in the Republic of Singapore and one in the Kingdom of Spain. New York has laws prescribing minimum capital requirements, limiting classes and concentrations of investments and requiring the approval of policy rates and forms. State laws also regulate the amount of both the aggregate and individual risks that may be insured, the payment of dividends by MBIA, changes in control and transactions among affiliates. Additionally, MBIA is required to maintain contingency reserves on its liabilities, in certain amounts and for certain periods of time.

MBIA does not accept any responsibility for the accuracy or completeness of the Official Statement or any information or disclosure contained in this Notice, or omitted here from, other than with respect to the accuracy of the information regarding the policy and MBIA set forth in this Notice. Additionally, MBIA makes no representation regarding the Certificates or the advisability of investing in the Certificates.

The Financial Guarantee Insurance Policies are not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

MBIA Information

The following documents filed by the Company with the Securities and Exchange Commission (SEC) are incorporated herein by reference:

1. The Company's Annual Report on Form 10-K for the year ended December 31, 2001; and
2. The Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002.

Any documents filed by the Company pursuant to Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act of 1934, as amended, after the date of this Notice and prior to the termination of the offering of the Certificates offered hereby shall be deemed to be incorporated by reference in this Notice and to be a part hereof. Any statement contained in a document incorporated or deemed to be incorporated by reference herein, or contained in this Notice, shall be deemed to be modified or superseded for purposes of this Notice to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Notice.

The Company files annual, quarterly and special reports, information statements and other information with the SEC under File No. 1-9583. Copies of the SEC filings (including (1) the Company's Annual Report on Form 10-K for the year ended December 31, 2001, and (2) the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002), are available (1) over the Internet at the SEC web site; (2) at the SEC's public reference room in Washington D.C.; (3) over the Internet at the Company's web site; and (4) at no cost, upon request to MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504. The telephone number of MBIA is (914) 273-4545.

As of December 31, 2001, MBIA had admitted assets of \$8.5 billion (audited), total liabilities of \$5.6 billion (audited), and total capital and surplus of \$2.9 billion (audited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. As of September 30, 2002, MBIA had admitted assets of \$9.0 billion (unaudited), total liabilities of \$5.9 billion (unaudited), and total capital and surplus of \$3.1 billion (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

Financial Strength Ratings of MBIA

Moody's Investors Service, Inc. rates the financial strength of MBIA "Aaa."

Standard & Poor's, a division of The McGraw-Hill Companies, Inc., rates the financial strength of MBIA "AAA."

Fitch Ratings rates the financial strength of MBIA "AAA."

Each rating of MBIA should be evaluated independently. The ratings reflect the respective rating agency's current assessment of the creditworthiness of MBIA and its ability to pay claims on its policies of insurance. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency.

The above ratings are not recommendations to buy, sell, or hold the Certificates, and such ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the Certificates. MBIA does not guarantee the market price of the Certificates nor does it guarantee that the ratings on the Certificates will not be revised or withdrawn.